Daily Report

Latin America

FBIS-LAT-93-162
Tuesday
24 August 1993

Daily Report
Latin America

FBIS-LAT-93-162 *24 August 1993*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTER-AMERICAN AFFAIRS

Nicaraguan Crisis May Prompt Delay of CA-4 Summit *[Mexico City NOTIMEX]* 1
'Urgent' Meeting To Be Held *[Mexico City NOTIMEX]* 1

CARIBBEAN

Cuba

Castro La Paz 'Guest of Honor' Speech *[Havana TV]* 2
Weekly Notes Gaviria, Castro Offers to Mediate *[Madrid EFE]* 5
Alarcon: Latin American Solidarity 'Growing' *[Havana Radio]* 5
Public Frustration Over Spain's 'Committee' Proposal *[Paris LE MONDE 20 Aug]* 5
Residents Say Outages Increasing Tension *[Madrid EFE]* 6
Ross Leal Compares Pastors With Gomez, Guevara *[Havana Radio]* 7
Finance Minister President Rodriguez Visits Hanoy *[Havana Radio]* 7
Individuals Sentenced for Illicit Use of State Property *[Havana Radio]* 7
* Legalization of Dollars Studied 8
* Residents Skeptical *[EXCELSIOR 28 Jul]* 8
* Lage Explains Measures *[JUVENTUD REBELDE 18 Jul]* 9

Antigua

Marshall Fails To Succeed Bird, Sr. as Party Leader *[Bridgetown CANA]* 9

Haiti

Chamber of Deputies Ratifies Malval as Primier *[Madrid EFE]* 10
'Stormy' Ratification Session *[Port-au-Prince Radio]* 10
Taxes, Nationality Issues in Vote *[Port-au-Prince Radio]* 10
Anti-Aristide Group Reservations *[Port-au-Prince Radio]* 11
Pro-Aristide Poster Campaign Noted in Saint-Marc *[Port-au-Prince Radio]* 11
MNP-28 Opposes International Deployment Request *[Port-au-Prince Radio]* 11

CENTRAL AMERICA

El Salvador

Cristiani Meets With High-Ranking Nicaraguan Delegation *[LA PRENSA GRAFICA 20 Aug]* 12

Guatemala

URNG Leaders Discuss Peace Process *[Guatemala City Radio & TV]* 12

Honduras

Army General: Border Troops To Maintain Security *[Mexico City NOTIMEX]* 19
Envoy Says Nicaraguan Crisis Not To Affect Region *[Tegucigalpa Radio]* 20
President Denies Establishing Relations With Cuba *[TIEMPO 21 Aug]* 20

Nicaragua

Government, UNO, FSLN Communique on Hostage Crisis *[Managua Radio]* 20
Commander 31, Cardinal Cited on Crisis *[Santa Fe de Bogota Radio]* 21
'Commander 31' Wants Ortega in Talks *[Managua Radio]* 23
FSLN Commander on 'Crisis,' National Interests *[BARRICADA 23 Aug]* 24
Lacayo, Ortega Reportedly Ask Cardinal To Mediate *[Managua Radio]* 24
Lacayo, Daniel Ortega News Conference *[Managua Radio]* 25
FSLN Communique Seeks National Salvation Agreement *[BARRICADA 22 Aug]* 25
Communique Announces Release of Hostages in Managua *[Managua Radio]* 27
Sandinist Commando Releases Hostage *[Managua Radio]* 27
Front Releases Two Hostages *[Managua Radio]* 27
Recontras Seize Town, Seek To Kidnap Officials *[Managua Radio]* 28
Thieves Responsible for Shooting Along Highway *[Managua Radio]* 28

SOUTH AMERICA

Argentina

Interior Minister Gustavo Beliz Resigns *[NOTICIAS ARGENTINAS]* 29
Beliz Disputes With Government *[NOTICIAS ARGENTINAS]* 29
New Interior Minister Appointed *[NOTICIAS ARGENTINAS]* 30
Ministry Official on Nicaruagua, UN Troops *[BUENOS AIRES HERALD 23 Aug]* 30
Petrella Downplays U.S. Ambassador's Statement *[NOTICIAS ARGENTINAS]* 30
'Pressures' To Prevent Argentine Rearmament *[NOTICIAS ARGENTINAS]* 30
Former Air Force Chief: Condor-2 Can Be Reactivated *[NOTICIAS ARGENTINAS]* 31
Census Reveals Poverty Levels in Buenos Aires *[BUENOS AIRES HERALD 23 Aug]* 31
Bishops Seek End to 'All Corrupt Practices' *[CLARIN 13 Aug]* 32

Brazil

Army Minister on Problems in Border Area *[O GLOBO 19 Aug]* 33
Franco 'Convinced' Aparecido Not Able To Be Sworn In *[Brasilia Radio]* 33
Indian Conflicts Blamed on 'Foreign Interest' *[FOLHA DE SAO PAULO 20 Aug]* 33

Chile

Editorial on 'Unfortunate' U.S. Grape Case Ruling *[EL MERCURIO 4 Aug]* 34

Colombia

* Congress To Begin Discussing 1994 Budget *[EL TIEMPO 26 Jul]* 34
* Conservatives Lament Gaviria's Liberal Bias 37
* Conservative Congress Meets *[EL TIEMPO 22 Jul]* 37
* Villegas Denies Accusations *[EL TIEMPO 24 Jul]* 38
* SAC Withdrawal From Commission Supported *[EL TIEMPO 14 Jul]* 39
* Trade With Ecuador Increases Over 1992 *[EL TIEMPO 19 Jul]* 39
* Officials Say Economy 'Very Satisfactory' *[EL ESPECTADOR 15 Jul]* 40

Peru

Popular Action Launches Belaunte's Candidacy *[CARETAS 12 Aug]* 41
*EL DIARIO Spokesman 'Out of Step' *[EL COMERCIO 15 Jul]* 41

Uruguay

South Africa's de Klerk Arrives on Official Visit *[Madrid EFE]* 41
Holds Talks With Lacalle *[Johannesburg SAPA]* 42

Venezuela

Munoz Denies Army Involved in Coup Plans *[Caracas TV]* 42
Possibility of Another Coup Warned *[AFP]* 43
Congress President Prompts Perez' Status Discussion *[EL NACIONAL 18 Aug]* 43
FIV Announces Privatization Schedule *[EL DIARIO DE CARACAS 17 Aug]* 44
World Bank Views Efforts *[EL NACIONAL 18 Aug]* 44

Nicaraguan Crisis May Prompt Delay of CA-4 Summit

PA2308213893 Mexico City NOTIMEX in Spanish 2022 GMT 23 Aug 93

[Text] San Salvador, 23 Aug (NOTIMEX)—The presidential summit of the member-states of the integration group formed by El Salvador, Guatemala, Honduras, and Nicaragua, which is scheduled to take place Friday [27 August], could be suspended as a result of the kidnappings in Nicaragua.

Salvadoran President Alfredo Cristiani stated Monday that, although all preparations have been made for the presidential summit in the region of El Trifinio, which is located in the western part of El Salvador, the summit could be postponed until a later date.

Nevertheless, Cristiani also clarified that the summit could take place without Nicaraguan President Violeta Chamorro's presence, "because we should keep in mind that there are issues on which the other three nations (Honduras, Guatemala, and El Salvadaor) have already embarked." Cristiani announced he expects a call from Chamorro some time on Wednesday or Thursday, when the Nicaraguan president will confirm her attendance at the Central American Group of Four (CA-4) meeting.

"If she (Chamorro) chooses to suspend the meeting because she is unable to participate, I believe no one would be inconvenienced if the meeting was to be rescheduled for the following week, or whenever it can take place," Cristiani pointed out.

He also stated that the Nicaraguan Government could send other officials to the summit in the event that Chamorro forgoes the meeting as result of the kidnappings of government officials and political leaders by armed groups in Managua and northern Nicaragua.

Cristiani issued a plea for the resolution of the political crisis within the neighboring country in the shortest time possible because the crisis puts Nicaragua at "a great disadvantage" before the rest of the countries in the region in terms of the integration process taking place in the isthmus.

A Honduran presidential spokesman announced today that the presidents of El Salvador, Honduras, and Costa Rica will be meeting next Wednesday in San Jose to analyze the political situation in Nicaragua.

Rearmed "recontra" groups and former Sandinists soldiers have been separately holding more than 30 people, including Nicaragua Vice President Virgilio Godoy, hostage since last weekend because of political problems.

'Urgent' Meeting To Be Held

PA2308185493 Mexico City NOTIMEX in Spanish 1755 GMT 23 Aug 93

[Text] Tegucigalpa, 23 Aug (NOTIMEX)—The presidents of Costa Rica, El Salvador, and Honduras will hold an urgent meeting on 25 August in San Jose to analyze the situation in Nicaragua, an official source announced here today.

Presidency Secretary Gilberto Goldstein stated that the presidents are "concerned" about the recent incidents in Nicaragua, where groups of "recontras" and "recompas" are holding government officials and political leaders hostage.

Cuba

Castro La Paz 'Guest of Honor' Speech

FL2308004593 Havana Cuba Vision Network in Spanish 0033 GMT 18 Aug 93

[Speech by Fidel Castro Ruz, president of the Cuban Councils of State and of Ministers, at a ceremony in which he was declared "Guest of Honor" and given the keys to the city of La Paz in the Municipal Building in La Paz, Bolivia; date not given—recorded]

[Text] Honorable Julio Montilla, mayor of La Paz; Honorable Vice President of Costa Rica, President of the Municipal Council, Councilmen, [words indistinct], distinguished personalities, distinguished guests:

First of all, I must take a deep breath. Second, I must say that if the altitude does not kill a visitor, emotion might. [applause] I, myself, do not know how I have been able to withstand the emotions that I have felt since I arrived in Bolivia, generated by the immense honors I have received, the warmth, fondness, affection, solidarity, and support that have been extended to the Cuban delegation.

I must say it would have been impossible to have a complete picture of Bolivia and its people without having had this privilege of direct contact with all of you. I have always felt a special affection, great admiration, and great solidarity for Bolivia; however, in these past days that affection, love, and solidarity have multipled. Some people have asked for my opinion, my impression of Bolivia, and I have said that I am truly impressed with the Bolivian people. I have heard so many phrases of encouragement for our struggle, so many words of friendship, incessantly, day and night. I was truly moved by the phrase: Fidel, our brother, you are now a Bolivian. [applause; crowd shouts: "Fidel, our brother, you are now a Bolivian."] You cannot imagine how deeply those words touched my heartstrings, and how proud I felt to be a Bolivian. [applause]

So many things bind us together in history, and we have so many things in common that, after being a Cuban, what better than to carry the title of Bolivian? [applause]

You know that we are experiencing difficult times. Those times have become much more difficult in the wake of the crumbling of the socialist bloc in Europe, with which our country maintained 80 percent of its trade. Those relations were a pillar in our economic and social development. You know quite well what a bridge is like....[Unidentified person shouts: "Fidel!" Castro answers: "Enjoy!"] You know quite well what a bridge is like when one of its pillars has been removed. The Cuban Revolution today is like a bridge with only one pillar holding it up.

Relations with the socialist bloc helped us greatly to withstand the blockade, when we lacked raw material, fuel, and markets for our products. Those circumstances helped us to withstand the blockade. Now, we are left without the socialist bloc, and the blockade has been intensified. With their characteristic opportunism, the leaders of our neighboring country to the north felt this was an opportunity to wipe out the Revolution. Perhaps few peoples throughout history have faced as great a challenge as the one that the Cuban Revolution has to face today, with sacrifices as great as the ones we have to make today. Amid the euphoria of a unipolar world under the hegemony of Yankee imperialism—although I do not wish to use strong words, I have no choice but to call it by the name we have traditionally used —[applause] in the midst of that unipolar world and under that hegemony, our small island is resisting.

I have tried to understand your feelings of affection toward Cuba, your feelings of support and solidarity. I have asked myself what we have done to earn that affection and support. I cannot think of our merit. Humanity has been accumulating merit for millenia. Humanity has been writing glorious pages in favor of man's progress and advancement. Those pages have been written in all fields, not just in martial aspects. We already know that man is very warlike and has struggled hard throughout history, sometimes for just causes and sometimes for unjust causes; but he has also advanced human thinking, human ideas and values, to an extraordinary degree.

By this, I mean that humanity is full of meritorious qualities. I ask myself: What, then, are the qualities that the Bolivian people see in the Cuban people today? There is a word I have heard many times: It is the word dignity. [applause] I believe Bolivians appreciate the dignity with which our Revolution has been carried out, and the dignity with which we defend our independence, sovereignty, and our rights in a world as difficult as the one we happen to live in. We are practically the only country blockaded by the most powerful empire in the world. More: It is the most powerful empire that has ever existed in the world in the course of history.

Perhaps we have some weaknesses, as you do; and our people's integrity and valor are being tested by this blockade, this hostility, this aggressiveness from the most powerful power on earth which, moreover, is our neighbor.

They say they are 90 miles away from our shores, but it is not true. They are just a few inches from our territory, because they have maintained, by force, a naval base right in Cuban territory, against our people's will. This means it could be said we are not only the one country in the world that is blockaded, but also the only country where there is a military base against the people's will.

These are tests....[pauses] On top of that, there is the blockade by a superpower before which many people kneel, before which many governments kneel. I believe that factor, that recognition of Cuba because of the dignity with which it is resisting this test and defending its Revolution, can help to explain this affection, this

recognition from you. I also believe that, being a part of a Latin America that has been very long-suffering, attacked, and humiliated, the Bolivians admire the gallantry with which our people are defending their independence and their rights, since we have the conviction that we are not waging the struggle for ourselves alone but are also waging the battle for our brothers in Latin America. [applause]

We are like a front-line trench, a trench that imperialism wants to destroy. From its viewpoint, doing so would make it easier for imperialism totally to dominate Latin America. These are not new ideas. Marti, almost 100 years ago, wrote that everything he had done in his life—and very often he had had to do it in silence—had been done to ensure Cuba's independence, or to avoid having Cuba's independence make it possible for the United States to extend itself with greater force over the Latin American peoples. [sentence as heard]

All Cubans have learned that Marti premise. However, in addition to being followers of Marti, we are profoundly Bolivarian. [applause] Marti was the first Bolivarian. We are great admirers of all those who fought for our people's independence in struggles that began long before Napoleon's occupation of Spain, struggles begun by the Indian peoples of our hemisphere.

That horrible history is known. I refer to the history of abuse, injustice, and crimes committed against the authentic inhabitants of these lands. In the North, the native population was eliminated. We could say that at least the Iberian colonizers did not eliminate, did not exterminate, although they did almost exterminate the native population. On the contrary, they mixed with the Indians and Africans. That is a historical truth.

When the Iberian colonizers were exterminating the Indian population, they did not do so because they wanted to exterminate it, but because they wanted to exploit it. As hardworking as the Europeans claim to be, they were unable to cope with the heat, humidity, and sun of the tropics. When the Indians were wiped out, in Cuba, for example, then they brought Africans and enslaved them.

However, in some regions, our Indians, our aborigines were very passive. They did not form a great community. They were divided into thousands of fragments. It was easy to dominate and enslave them, although there was some resistance. Other communities were stronger. They fought; they resisted. I believe that one of the most glorious pages of military history was written by the Aztecs in the struggle against the Spanish conquistadors. They resisted an almost year-long siege in the face of the technology, the weaponry, the cannon that the conquistadors brought to bear. They resisted in other parts of America. They resisted in South America, Peru, and they resisted—and very strongly—in Bolivia. The Araucanians in southern Chile also resisted. I was truly pained when, on the occasion of the famous 500th anniversary [of the discovery of America], a lot was said about many things, but nothing was said of the heroism with which the natives of this hemisphere resisted the conquest.

They knew nothing of steel. They were unfamiliar with horses. In the first clashes, some of the fighters thought the man and the horse were a single being, that the horse and the conquistador were a single being. What a crass error! Perhaps the horse was much more noble than the conquistador. [applause]

But with their experience in war and their technology, the Iberians were able to dominate the continent, which was fragmented into many different communities. This history can no longer be ignored. From the mixture came our peoples, to a greater or lesser degree. Then came the occasion to become independent, but we are all well aware of what that independence was like. Slavery continued after independence: The enslavement of the Africans and the Indians continued and persisted after independence.

What is the cause of the problems that we are facing now? What is the cause of our poverty, of the fact that we have remained so backward in the world? Colonial and neocolonial exploitation, and our current exploitation. I do not want to go into theoretical subjects here about economic schools of thought, but we can say that capitalism has not resolved the world's problems. It was the cause of colonialism. It was the cause of slavery. It was the cause of underdevelopment. It was the cause of the fact that 80 percent of the world's peoples, of almost 6 billion inhabitants, has remained poverty-stricken and backward.

That is what the world received from capitalism, colonialism, and the imperialism that today has come forth with tremendous strength in the world, with the desire to wipe out every notion of national sovereignty. National sovereignty is an irritant to the imperialists in their effort to take over the resources and sweat—the resources of our nations, and the sweat of our people. It bothers them. That is why they want to establish a new order in the world, in which sovereignty would apply only to a handful of powerful countries and would practically not exist in the rest of the world.

One sees things as strange as that so-called humanitarian operation in Somalia, where those people, whom they have starved to death by their colonialist systems, are now supposed to receive food at the point of a gun. That path will lead the world to need more tanks than hectares of wheat. What happens today over there in Somalia can happen someday all over Africa. It can occur in entire regions of the world. We had never seen a case of hypocrisy as great as that of the alleged humanitarian aid at the point of the guns on the tanks.

That is the world we live in, you and I. Those are the dangers we face. But here, at this ceremony, which has not been a simple protocol...[pauses] very serious, very deep words have been used here by the president of the council and the mayor. They went to the core of the

problems briefly, concisely, and eloquently, especially when they spoke of America and the need for our peoples to unite.

What will be the fate of our peoples in the next century if they are balkanized? What will we be? What place will we have in the world if we are divided and fragmented, facing large economic communities like Europe, the United States, and Japan? What are we waiting for to unite? When Bolivar spoke of unity and tried to unite the countries, there was no telegraph, or telephone, or automobiles, or railroads, or trucks, or any of the very modern means of transportation we have today. There was no communication by satellite. Today in a matter of seconds, one can speak from La Paz to Buenos Aires, or in less than a second from La Paz to Havana, from La Paz to Mexico. I ask myself: If Bolivar, Sucre, and the other liberators had lived in these times—those who dreamed of union at a time when correspondence between Lima and Caracas took three months—if they had had the means that we have today, what could they not have done to unify the Latin American peoples? They made the effort. They arranged the amphictyonic congress despite the colossal distances.

In those days, it might have seemed a dream, but what visionaries they were! What would Bolivar and Sucre think today if they were to see the colossal empire that was formed to the north, and if they were to see the spectacle of our nations, divided?

We have to fight for a united Latin America, one that is without borders. We will always have our own racial and cultural characteristics; but we have many things in common, especially our need to survive. We will not be able to survive without uniting.

Two centuries ago, this might have been a dream or a fabulous vision of the future; but today it is an critical requirement for survival, or they will conquer us all over again. There are people who want to discover us all over again and conquer us once more. [applause] And exploit us some more. I once made this deduction, an analysis of all the gold that Spain took from Latin America. Pricing that gold in today's dollars, I realized that today the developed countries, the former metropolises [as heard], take more gold in a single year from Latin America than was taken by Spain in three centuries [applause] through payments to service the debt, the unequal trade, which is more unequal every day, the flight of capital, and the junk they sell us. We have to stress the immense cultural influence they exert over all of us. Seeing the propaganda makes us ask ourselves if the world of billions is the world portrayed by Europe and the United States.

There will be no natural resources, no energy, nothing left if we take the life-style and systems of capitalist developed countries as models. They even corrupt our culture in a thousand different ways in order to exploit us. They would prefer that we buy luxury items rather than food, medicine, or productive equipment. They want to turn us into consumer societies and the only thing they can turn us into is consumed societies. [applause] Bolivia has lived through that entire history, ever since the famous mine, the Potosi, was discovered. How many millions lost their lives there? They exhausted the largest deposits in the world. How did they exploit those deposits? With the people's blood and sweat.

That is why we can never conceive of, or resign ourselves to, this as our future destiny. That is why I so greatly appreciate the words spoken at this ceremony today on the need for struggle and the need for unity, which I think should become one of the banners of all our peoples, so that we can speak to each other as equals and have the right to a better destiny.

One cannot be skeptical, because on coming here and listening to these words, and these expressions of unity and solidarity, one has to be optimistic. This feeling of solidarity and brotherhood is very great. We have been able to feel it here, thousands of miles away. Then there is that phrase that was repeated so often, thousands of times—that Cuba is not alone. That means a lot, and says a lot. It says a lot to imperialism. I think someone came here complaining that I was invited, saying that this was irreconcilable with something or other. We do not know with what, because they do not know themselves what it is. [applause; crowd chants: "Fidel, Fidel"]

The only things that are truly irreconcilable are our destinies and the designs of imperialism. They should understand that some things are irreconcilable, some things are unjust and immoral, and one of these things is their criminal blockade. It is irreconcilable to talk about freedom and rights while maintaining a brutal blockade against a small country and sabotaging all its efforts to work, its efforts toward development, its economy.

It is touching to see the Bolivian children of La Paz—children of a country that is considered to be among the poorest countries in Latin America—here to give us school supplies for the children. How much does this weigh? It may weigh a kilogram or two, but how much does it weigh morally? Millions of tons. [applause]

I am certain that our people will be able to perceive your sentiments, encouragement, solidarity, and nobility. The words said here are not borne away on the wind. They are seeds sown in the hearts and minds of the men and women of Latin America and the world. One way or another, there were representatives of many countries here, and all of them are witnesses to your solidarity, the immense warmth with which you received the Cuban delegation, the indignant protest against the criminal blockade, and your firm solidarity. Some of the delegations heard things that not even we, who are the adversaries, would have wanted to hear said about our adversaries. [applause]

We have been embarrassed to hear some of the slogans, certain words, or certain expressions. What a sense of tactics and strategy the people of La Paz have shown. When they wanted to say something—End the blockade,

end the blockade—they knew to whom they had to say it. [laughter] They had some other pretty words for those people too [laughter], words that emerged from the Bolivians' creativity. To others they said: Listen to Cuba; help Cuba.

That message is heard. Therefore, I believe these days have been days of a great battle for unity among peoples and for solidarity among peoples. It has been a great battle for Cuba, and Cuba will be infinitely, extraordinarily, and eternally grateful. Cuba knows how to be grateful, because Cuba has shown solidarity toward the world's peoples, and has shown solidarity toward the fraternal peoples of Latin America.

We do not like to talk about our solidarity, because it is simply our duty. You, a brave, fighting, long-suffering people, will always be able to count on Cuba's solidarity.

In the past few days, someone took it into his head to question our support for Bolivia's quest for access to the sea. That is something we have supported always, in all international forums [applause] because we feel that the lack of an access to the sea is one of the most unjust and most harmful things for Bolivia's development. There is talk about different ways of achieving this, and about different formulas. There is even talk about fluvial paths, corridors, or other means.

The world cannot continue to allow the injustice of leaving Bolivia without access to the sea. [applause] I wish we could give you a piece of our sea. [applause] I am sure our people would not hesitate a second in giving it to you. This is one of the injustices that persist in our hemisphere and that we must try to resolve by means of a united struggle, by our unity. because I say that over and beyond each people's inalienable right to their lives and development is the ideal in which borders in our great Latin American community would not even exist. [applause]

You may be sure that we will not betray your trust, and that we will fight to the last breath. If some day revolutionary Cuba no longer exists, it will never be because Cubans failed to live up to our sacred slogan: Fatherland or death, we will win! [prolonged applause; crowd chants repeatedly: "Fidel, Fidel"]

Weekly Notes Gaviria, Castro Offers to Mediate

PA2208033093 Madrid EFE in Spanish 1805 GMT 21 Aug 93

[Text] Santa Fe de Bogota, 21 Aug (EFE)—During his recent visit to Colombia, Cuban President Fidel Castro agreed to mediate with Colombian rebels. Meanwhile, Colombian President Cesar Gaviria offered to intercede before the United States to lift its embargo on Cuba. This was reported today in the Colombian weekly THE COLOMBIAN POST. In its most recent issue, the newspaper, published in English, cites diplomatic sources as saying that Castro, who visited the Caribbean city of Cartagena de Indias (in northern Colombia) on 9 through 11 August, asked the Army of National Liberation (ELN) to "accept the conditions for peace." The newspaper describes as a "diplomatic farce" the recent visits to Colombia by Castro and other prominent people such as PRC Deputy Foreign Minister Liu Huaquiu; Romanian President Ion Iliescu; U.S. Under Secretary of State Thomas Wirth; and Lee Brown, director of the U.S. Office of National Drug Control Policy. "For appearance's sake, Castro publicly stated in Cartagena de Indias that he was not obligated to disqualify the rebel groups, supported by him for the past 30 years," the weekly states. "The truth is that Castro sent his emissaries to the ELN urging them to accept the conditions for peace established by the government," including the unilateral cease-fire, "if this should be necessary," the newspaper adds. According to THE COLOMBIAN POST, "in return for this, President Gaviria agreed to intercede before the United States to soften the trade embargo on the island" and "promised to sell Cuba all the oil it needs." The weekly stated that U.S. Under Secretary of State Wirth, "in light of the pressure resulting from Canada's decision to lift the trade embargo on Cuba, gave his tacit approval for Gaviria's mediating role." Regarding Iliescu's visit on 4 August, which, according to government reports, was aimed at "opening the doors" to the Black Sea for Colombia, the report adds that the European president "tried, with very little luck," to sell agricultural and industrial machinery. The newspaper states that Liu Huaquiu visited Cuba to offer power plants for inaccessible regions of the country and get Colombia's support for the PRC's desire to participate in the 2000 Olympic Games.

Alarcon: Latin American Solidarity 'Growing'

FL2208204493 Havana Radio Reloj Network in Spanish 1930 GMT 22 Aug 93

[Text] On 22 August, Ricardo Alarcon, president of the National Assembly of the People's Government, stressed the Latin American and the universal rejection of the U.S. blockade against Cuba and the growing wave of solidarity with Cuba. In Montevideo, Uruguay, where he is attending a Parlatino meeting, Alarcon referred to the concern expressed by various personalities regarding the difficult situation the blockade generates for the Cuba people. Alarcon stressed that a meeting of the Parlatino directorate committee has just concluded and discussed, among other issues, the U.S. blockade against Cuba and the Parlatino policy of rejecting that situation and supporting the Cuban people. Alarcon also said that in Montevideo he noticed, in meetings with politicians, journalists, and people in general, the growing solidarity with Cuba during these difficult times.

Public Frustration Over Spain's 'Committee' Proposal

PM2308105293 Paris LE MONDE in French 20 Aug 93 p4

[Bertrand de la Grange report: "Cuba: Populace Gives Vent to Frustration by Breaking Store Windows During Blackout"]

[Text] Mexico City—What do you do in the evening in Cuba when, thanks to a power cut, you cannot even watch the TV soap that allows you to forget for an hour a day the widespread shortages and virtually nonexistent public transport? Smash the windows of the stores, all state-owned, and throw stones at the homes of the regime's supporters: That is how the Cubans have been giving vent to their frustration over the past few weeks in Havana and other provinces as well. The Spanish Government, for its part, has been making increasing moves to persuade President Fidel Castro to undertake sweeping political and economic reform.

The Cuban radio stations in Miami, where almost 1 million exiles live, were quick to christen this movement "Intifadah," a reference to the Palestinian protest movement in the Israeli-occupied territories. "It is a spontaneous gesture which reveals the discontent and violence which have built up in Cuban society," Vladimiro Roca, one of the leading lights of left-wing dissidence and a member of the Socialist Democratic Current (CSD), told us over the phone from Havana.

"Several incidents have been reported in downtown Havana, where the people have attacked bakeries, pharmacies, and hardware stores," Mr. Roca added, also reporting xenophobic demonstrations against tourists and diplomats. "The movement could become more violent if the authorities continue to oppose any political negotiations to resolve the serious economic crisis which, because of the energy shortage, is already crippling 80 percent of industry."

According to internal dissidents, split into a plethora of small organizations, the population has been increasingly open in giving vent to its frustration since power cuts started lasting anything from 16 to 20 hours a day depending on the region; the 3.5 million tonnes of oil negotiated for 1993 with Russia in exchange for Cuban sugar have apparently already been delivered, and no new contract has been announced for the rest of the year. Darkness gives people courage and "stones are not rationed," an opposition spokesman said.

The government's recent decision to authorize Cubans to use dollars, particularly those sent over by exiles in Miami, to buy goods in foreign-currency stores—these "diplomatic stores," hitherto reserved for foreigners, have never lacked anything—does not appear to have lulled the discontent, as revealed by this comment overheard by a dissident waiting in line: "What is the good of buying meat at a very high price in dollars if you can't store it because there is no electricity?"

The most common attitude, however, remains passivity; the majority of Cubans appear to be awaiting a "miracle," a change of attitude on President Castro's part, or even, according to comments picked up in the streets by Vladimiro Roca, "a U.S. intervention to resolve the problem," a "solution" to which his movement is totally opposed.

A "Tripartite Commission for Change"

The Cubans are wondering what Mr. Castro went to do in Colombia last week, where he had a long meeting with President Gaviria and Spanish Foreign Minister Javier Solana. "Fidel just went to get oil on credit, since Cuba does not have the financial resources to pay," Mr. Roca claims. "Everything points to his having obtained nothing, doubtless because he once again refused to open negotiations with the opposition to find a political solution to the crisis."

According to one source close to the U.S. intelligence services, the Spanish proposed setting up a "commission for change," consisting of three dissidents (Gustavo Arcos, Elizardo Sanchez, and Oswaldo Paya), three exiles (Carlos Alberto Montaner, Menoyo Gutierrez, and Ignacio Rasco), and six people nominated by Mr. Castro. The latter is said to have replied that he was "the only person able to direct change and prevent a civil war," on condition that he was supplied with oil. The Spanish and Colombians apparently refused to give in, feeling Mr. Castro's undertakings to be insufficient.

Madrid has not been sparing in its moves toward Havana recently: A delegation with a mandate from government leader Felipe Gonzalez, led by former Economy Minister Carlos Solchaga, submitted to the Cuban authorities on 31 July an extensive plan for privatizations, the profits from which would be used "to save the revolution's gains" in the education and health sectors. According to the Spanish daily EL PAIS, Fidel Castro listened to this presentation for 20 minutes without reacting.

Residents Say Outages Increasing Tension

PA2208205293 Madrid EFE in Spanish 0031 GMT 22 Aug 93

[Report by Raquel Martori]

[Text] Havana, 21 Aug (EFE)—Power restrictions in the Cuban capital are prompting displays of popular discontent and demonstrations in certain neighborhoods because they are often used to conceal vandalism. Over the past few weeks the power outages have averaged between 12 and 16 hours daily in different parts of the city.

The "Electrical Union" warned at the beginning of this month that the current situation, caused by a shortage of oil, is among the most critical ever but that it is "inevitable."

The country's current economic shortages are contributing considerably to increasing bad humor and tensions among Cubans, especially among women, who in many cases say they are tired of dealing with so many difficulties in their homes, especially after returning from a full day's work. Dissidents, residents, and occasional visitors

assert that incidents have taken place in the municipalities of Guanabacoa, Arroyo Naranjo, Santa Fe beach, and "La Vibora" and Santos Suarez neighborhoods.

The restrictions also serve as a shield for vandals who, taking advantage of the impunity provided by the power outages, rob from homes, supermarkets, bakeries, and stores.

Esther, a resident of "La Vibora" neighborhood, told us that the damage done by stones thrown at the windows of a shopping center near the downtown Monaco theater during a nighttime power outage, are still clearly visible. "At the shopping center"—Esther pointed out—"the glass doors and shop windows of the supermarket, a store, the bank, and other establishments had to be boarded up."

Ramon, a retiree who lives very near to the Monaco, said "it is better to stay off the street during blackouts because people throw stones and bottles at public establishments and it is dangerous. A pedestrian could be hurt; the perpetrators are irresponsible."

Maria Elena Martinez, an elementary school teacher, said that although "one at times may feel tremendously tired, such behavior will not resolve any problem and may only worsen the situation."

This past weekend many Havana residents noted with relief that the power outages have been reduced to approximately eight hours daily and they hope they will decrease even more over the next few days.

Ross Leal Compares Pastors With Gomez, Guevara

FL2408014193 Havana Radio Rebelde Network in Spanish 2300 GMT 23 Aug 93

[Text] In an exclusive interview granted to newsman (Diosdado Maceo), Pedro Ross Leal, secretary general of the Central Organization of Cuban Trade Unions and member of the Politburo of the Communist Party of Cuba, said that the attitude of the Pastors for Peace was an expression of the U.S. people's feelings. Here are his comments.

[Begin recording] [Ross] Well, Maceo, I think that love has prevailed, and that determination, resolution, hope, justice, and reason have prevailed, and that this is an extraordinary encouragement for Cuban workers, people, and patriots who have been exceptional witnesses to this demonstration of altruism by the Pastors for Peace, headed by Comrade Reverend Lucius Walker, the Christians of the Martin Luther King, Jr. Center in Havana, and the honest men and women of the United States and other places who began to join en masse, all over the world, this campaign for reason, justice, reason [as heard], and love that the Pastors for Peace began.

[Maceo] Well, Cuba's history is full of foreigners who have been willing to give their lives for our country. To mention only two, I recall Maximo Gomez, a Dominican, and Che Guevara, an Argentine, during this most recent phase. Does Pedro Ross believe that what the Pastors for Peace have done, in the tiny space of a bus on the U.S.-Mexican border, is comparable to the feats of those other men who were also prepared to give their lives for our country?

[Ross] Well, I think so. At this historic time, in the most recent modern period, they did what Maximo Gomez and Che would have done: placed themselves on the side of justice and reason, even if this could have cost them their lives. Therefore, theirs will also be inscribed among the names of the men and women who have been willing to sacrifice themselves for right, truth, equity, and what is just—for justice.

[Maceo] Is there any special message from the Cuban workers to this group of pastors?

[Ross] That we admire them from the heart; we admire them with all our hearts. What can we offer them? Only what we have: our hearts—when we receive them in Cuba with the affection and recognition they deserve. [end recording]

Finance Minister President Rodriguez Visits Hanoy

FL2008205793 Havana Radio Reloj Network in Spanish 1936 GMT 20 Aug 93

[Text] Jose Luis Rodriguez, the Cuban minister president of the State Committee for Finance, said that he is open to dialogue and that his objective in Hanoy is the study of Vietnam's economic experiences. In an interview given to PRENSA LATINA, Rodriguez explained that the main purpose of his five-day visit to Vietnam is to examine, first hand, the economic progress achieved by that nation in recent years and its innovations to maintain its socialist path.

In a partial evaluation of his conversations, Rodriguez highlighted that the main teaching he imparts to the Vietnamese people is to use everything that is applicable to the realities of their own state. Rodriguez commented that Vietnam launched an economic reform based on the idiosyncrasies of its own people and supported by the country's level of development at the time.

Individuals Sentenced for Illicit Use of State Property

FL2408021093 Havana Radio Rebelde Network in Spanish 2300 GMT 23 Aug 93

[Teresa Valdes Commentary]

[Text] Many people wonder: Where do the products sold on the underground, or black market come from? I think that one of the illegal market's sources of supply is crime committed by persons who give or receive material or financial resources diverted to improper purposes for any number of reasons. The Havana City 4th Court has

handed down a sentence in case 33092. It penalized defendants Lucas Bernal and Candido Meza for the crimes of illicit appropriation and illicit reception of property, respectively.

The crime came to light when residents of Los Pinos neighborhood in Arroyo Naranjo called the home of the president of the People's Council to report that a cement mixer belonging to a Construction Ministry enterprise was pouring concrete for the roof of a private home. With the license plate number and a description of the vehicle, investigations were carried out, leading to the address of the enterprise and the name of the driver, who had gone to the home after leaving a part of his load at the oil plant that is under construction in Guatao, La Lisa municipality.

The resident of the house receiving the concrete told the court that he was given the concrete so that he could complete his roof. He denied that any payment was involved.

Perhaps this was indeed unselfish assistance, but a crime was committed as indicated by the Penal Code because the concrete had been entrusted to the driver, who used a part of it for purposes not planned or authorized.

The fact is that products sold at very high prices on the black market or in underground businesses often come from illicit appropriation, embezzlement, and diversion of resources. Although some people resolve their temporary problems this way, these acts affect you and me, because life is the law, and the law is life. That is my opinion. Good night.

*** Legalization of Dollars Studied**

*** Residents Skeptical**

93CA0173A Mexico City EXCELSIOR in Spanish 28 Jul 93 pp 1-A, 10-A

[Article by Gloria Analco]

[Text] Havana, 27 July—Disappointment, skepticism, and confusion were Cubans' reactions to President Fidel Castro's speech last Monday, in which he spoke of the need to postpone the construction of socialism and to take some steps leading to a market economy.

The statement by the leader of the Cuban revolution about making "concessions" because of the extremely grave economic situation the nation is facing produced highly diverse reactions.

A large majority of the revolutionary people rejected the call to legalize the possession of foreign currency, and they also oppose creating an alternative market to the present hard currency market.

This negative reaction is prompted by the fact that only a minority of the population has relatives living abroad, primarily in the United States. So they do not support the president's call to continue to make sacrifices without having some compensatory mechanism to satisfy their most essential needs.

Most of the speech the chief executive gave in the Teatro Heredia in Santiago de Cuba, during the observance of the 40th anniversary of the attack on the Moncada barracks, was intended to convince the people of the need for this extreme measure, given the shortage of freely convertible foreign currency that Cuba is now experiencing.

The explanation that Cuba will close this year with foreign currency revenues of only $1.719 billion in comparison with $2.236 billion in 1992 and $8.139 billion in 1989 was not enough for the people.

"It is hard to accept the idea of making new sacrifices when steps are taken to benefit those who have done nothing to support the revolution," said a revolutionary veteran of Playa Giron [Bay of Pigs].

"The comandante spoke very well, and his speech was interesting, but that does not solve my most immediate problems. I wanted to hear something that would offer new hope," said an educational worker.

Some young people who were going to Havana's Malecon area said they had not gone to a party because they were eager to hear Castro's speech, but they felt very disappointed when they were not even mentioned as a sector.

"We know that we young people make up the majority of the population. Unfortunately, we have gotten used to being overlooked," said a student.

A retiree said he saw how things "are falling apart little by little"; he said this hurt him because nothing serious is being done to "turn the situation around."

"All of us need to be really put to work, not to be dependent, like babies, on other people," he added.

A 54-year-old man said that "it was useless for him (Castro) to say that there are 1,000 schools of economists, since he does not listen to any one of them," and he asked: "Does Castro not know that only with all our efforts can we move forward, as we did to achieve the victory of the revolution on 1 January 1959?"

Local diplomatic sources were more specific and indicated that the steps the president announced appear to be increasingly intended to abandon the classic socialist model and to move toward another model with many similarities to capitalism.

A European diplomat felt that Castro's decision to make concessions and postpone the construction of socialism is equivalent to giving up the fight, despite the disguise with which he attempts to cover it up.

He said Castro has changed the classic slogan of the revolution for another, with which he is attempting to

salvage socialist gains, but at the same time admitting that "these are not the right times to create socialism."

Another official felt that, even though there are signs of a significant economic liberalization, it is too early to reach any conclusions about the political impact.

He did feel, though, that the next steps announced by Castro concerning future domestic economy reforms, especially steps taken to control an excessive money supply that would promote a high inflation rate, should be watched with interest.

Observers believe that those who benefit from these steps designed to attract dollars will act with great caution for fear of revealing prematurely the amount and sources of the foreign currency they have accumulated.

Under current U.S. Treasury Department regulations, every Cuban resident in that country may send up to $100 per month to his or her family in Cuba. According to unofficial estimates, this may bring over $1 billion a year into Cuba.

* Lage Explains Measures

93CA0173B Havana JUVENTUD REBELDE in Spanish 18 Jul 93 p 8

[Article by Hedelberto Lopez Blanch]

[Text] Carlos Lage Davila, secretary of the executive committee of the Council of Ministers, said in a press conference that Cuba is making efforts to overcome its difficulties, and the economic liberalization being adopted is part of a process adapted to new circumstances; it does not mean renouncing our principles and ideals.

The press conference took place in the Palace of Conventions at the end of the third Euromoney Conference, which met for two days in Cancun, Mexico and one day in Havana.

In response to a question about legalizing the possession of foreign currency by some parts of the population, Lage said that step, which is now under study, will certainly have a social impact. He explained that a number of people will have access to specific products we do not have today, and in addition, greater differences will be created among people than those to which we have been accustomed during these years of the revolution.

"That," he said, "gives specific privileges to part of the population; we think it will be compatible with our process if it is understood by everyone."

He added that the people have to understand the reasons for making this change, and realize that it comes from a situation imposed by the growth in tourism, the difficult conditions in which we are living, and the need for foreign currency to benefit all the Cuban people. The inequalities and privileges that may be created are things we have to accept, he added.

Then he explained that the inequalities now existing in almost all, or in all, the countries of the world will not be created here. He said that we must create conditions so that people will understand, first of all, the morality of the revolution for having attempted and achieved as no other process has, a high level of social justice and equality.

"For the people," he said, "the revolution has the moral ability and the capacity to accept, at a specific moment, certain differences that arise from circumstances we cannot change. We cannot afford to lose the investment of foreign capital and tourism because it will give more Cubans access to foreign currency."

"I think this understanding will come from knowledge and from the people's suffering because of the difficulties we are facing today. Given the gravity of those problems, we must take specific steps that are not ideal, that are not the ones we wanted, but steps which circumstances and reality are forcing us to apply now."

He indicated that there is political maturity in the population, who have a high level of information and awareness. "We hope the people will understand, since this way is necessary to obtain foreign currency, and in practice it is [last words missing].

Antigua

Marshall Fails To Succeed Bird, Sr. as Party Leader

FL2408003593 Bridgetown CANA in English 2017 GMT 23 Aug 93

[Text] St. John's, Antigua, Aug 23, CANA—Former Trade Minister Hugh Marshall has failed in his bid to succeed 83-year-old Prime Minister Vere Bird, Sr. as political leader of the ruling Antigua Labour Party (ALP), a senior party official said.

ALP chairman, Health Minister Adolphous Freeland, told reporters no one seconded Marshall's nomination ahead of a vote at a convention planned for next month to choose a new leader. Freeland said the contest would again be between Planning Minister Lester Bird and Information Minister John St. Luce, who each polled the same number of votes last year when the ALP made the first attempt to choose a successor to the retiring prime minister.

Attempts by CANA to reach Marshall were unsuccessful, but informed sources told CANA he was depending on the support of two government ministers to put forward his nomination. The sources also said Marshall was contemplating legal action against the party for what they said was a change in the system of nominating candidates.

The ALP convention is scheduled for September 5 and 6. Freeland said former St. Kitts-Nevis Premier Lee Moore will be the guest speaker.

Haiti

Chamber of Deputies Ratifies Malval as Primier

PA2308225593 Madrid EFE in Spanish 2225 GMT 23 Aug 93

[Text] Port-au-Prince, 23 Aug (EFE)—The Haitian Chamber of Deputies has ratified Robert Malval as Haitian prime minister.

Malval received 38 votes in favor, nine against, and 18 deputies abstained.

'Stormy' Ratification Session

FL2308215893 Port-au-Prince Radio Metropole in French 1045 GMT 23 Aug 93

[Excerpts] The ratification of the prime minister-designate is at a standstill in the Chamber of Deputies. A new convening is scheduled for today to proceed with the ratification session of Robert Malval, who has already been approved by the Senate. Stormy, turbulent sessions continued on 20 and 21 August in the parliament, interrupted by electricity cuts or by the invalidation of quorums. The debates resume today. The committee in charge of studying Mr. Malval's file had given a favorable verdict on the prime minister- designate. Edner Jean filed a report on the sessions held over the weekend. A new convening was set for today at 1600 GMT in order to proceed with the ratification of Prime Minister-Designate Robert Malval.

[Jean] All those dealings in the Lower Chamber can be summarized in one sentence: The socialists and the hard wing of the Alliance [for Parliamentary Cohesian] do not want Robert Malval as prime minister. They proved it overtly by their various positions. Deputy Frantz Robert Monde, whose heart balances between the Alliance and the Socialist bloc, publicly stated that nothing and no one could make him vote for Malval. The facts that followed proved that he was speaking seriously. First of all, the prime minister-designate's Haitian nationality was questioned. Malval was obliged to present his grandfather's birth certificate to the committee in charge of studying his file. That was on 19 August.

On 20 August, the special committee finally gave its report to the assembly of deputies. In its conclusions, the committee concluded that Robert Malval had satisfied all the constitutional requirements to be head of government despite the fact that he has delayed payment to the internal revenue service. After a lengthy debate on the committee's responsibilities, the assembly of deputies was preparing to vote on the ratification when the parliament was suddenly plunged into obscurity [as heard].

On 21 August, following a series of meetings, dealings between the socialist bloc and the Alliance, the session resumed after a three-hour delay. After two consecutive votes on the conclusions of the committee's report, Malval's confirmation to the post of prime minister was left open. Then, the most extreme members of the Alliance, supported by their socialist allies, went on the offensive by requesting a meeting in camera in order, they said, to share with the deputies a confidential document. This document was simply a letter from the immigration and emigration service director general referring to Malval's passport.

This document was judged unacceptable by the Lower Chamber office. Being short of arguments, the socialist and Alliance deputies finally decided to invalidate the quorum, which provoked a general outcry in the Lower Chamber. [passage omitted]

In addition to general statements, certain deputies had more violent reactions. We saw the socialist deputy, Saurel Yacinthe, for instance, violently kick a young man who was attending the debates. The young man had apparently spoken some unpleasant words to the deputy. Our legislators' nerves were clearly frayed on Saturday. The ratification session that must resume today promises to be stormy and laden with major surprises.

Taxes, Nationality Issues in Vote

FL2308163293 Port-au-Prince Signal FM Radio in French 1030 GMT 23 Aug 93

[Excerpts] Today will be marked by Malval's ratification [vote] and the presentation of his general policy before the Haitian parliament. The members of the lower chamber committee studying his file persist in saying this morning that if [on the one hand] Malval is truly Haitian and should be ratified, on the other hand, as a businessman, he has not paid his taxes on turnover and on aggregate remuneration of employees, or his license. Opposition deputies are wondering how money can flow into the coffers of the government if he, himself, neither pays taxes nor gives Caesar what belongs to Caesar, contenting himself with giving to Father Aristide what belongs to Father Aristide—that is, himself. [passage omitted]

Doubts have persisted as to Malval's nationality, according to the 22 August issue of LE NOVELLISTE: The new prime minister whose ratification was postponed to 23 August, who has a wife of German origin, and a mother of Arabic origin, is considered a naturalized Frenchman who perhaps gave up his [Haitian] nationality and traveled as such [a French citizen] in 1965, according to charges by Deputy Robert Monday [words indistinct] of the Socialist Party, which has already announced its abstention in today's vote. Senator Bernard Sansaricq says he is rather concerned about Malval's unpaid taxes and asks the deputies not to carry out today, 23 August, a ratification that can be interpreted as a free gift for fiscal fraud. [passage omitted]

Anti-Aristide Group Reservations

FL2008152793 Port-au-Prince Radio Metropole in French 1045 GMT 20 Aug 93

[Text] The National Coalition, which is an anti-Aristide political organization, has expressed reservations concerning the ratification of Prime Minister-Designate Robert Malval. The coalition reproached the Senate for not taking into account the objection presented by Senator Sansaricq regarding Robert Malval's income tax statements. According to the coalition, if it turns out that Robert Malval did not pay his debt to the Internal Revenue Office of 14 million gourdes, it would constitute a major impediment to the post of prime minister. Furthermore, the coalition thinks that Robert Malval must make a formal statement on the refusal of any military intervention in Haiti before receiving ratification.

Pro-Aristide Poster Campaign Noted in Saint-Marc

FL2308222893 Port-au-Prince Radio Metropole in French 1600 GMT 23 Aug 93

[Text] In Saint-Marc, a President Aristide picture-posting operation took place overnight. Leaflets and pictures of the exiled president were massively distributed in this city. Our correspondent, Leonor Exantus, has details: [Begin recording in Creole] A picture-posting operation, including leaflets and pro-Aristide slogans, marked the eve of 23 August in Saint-Marc. Early in the morning of 23 August, pictures of President Aristide were observed on the city's walls in almost all the streets. These pictures, in blue and red, reflected that the Lavalas Political Organization [OPL], has its roots in Saint-Marc. Many leaflets with President Aristide's picture were displayed with the slogan: Long-lasting mobilization for the immediate return of Aristide. Down with the 18 January legislators! We ask the head of the Army, along with the coupists, to step down.

The Army in Saint-Marc has not yet reacted. Lower Artibonite, Saint-Marc, Leonor Exantus, Radio Metropole. [end recording]

MNP-28 Opposes International Deployment Request

FL2008202993 Port-au-Prince Radio Metropole in French 1900 GMT 20 Aug 93

[Text] MNP-28, the National Patriotic Movement of 28 November, calls on the Haitian people and legislators to spare the country the repetition of the 1915 offenses. In a statement to the press, MNP-28 has condemned President Aristide's request for the deployment of a thousand men in Haiti as a military occupation and treason against our ancestors' memory, according to Dejean Belizaire's party. MNP-28 asserts that it recognizes the necessity for international assistance, but a strictly limited assistance to the Haitian Government respecting institutional and constitutional norms.

El Salvador

Cristiani Meets With High-Ranking Nicaraguan Delegation

PA2408040793 San Salvador LA PRENSA GRAFICA in Spanish 20 Aug 93 p 3

[Text] On 19 August, President Alfredo Cristiani met in San Salvador with a high-level Nicaraguan delegation to evaluate the possible existence of more unreported FMLN [Farabundo Marti National Liberation Front] weapons in the interior part of Nicaragua as well as other Central American countries.

The delegation, sent by President Violeta Barrios Chamorro, was formed by Presidency Minister Antonio Lacayo and Government Minister Alfredo Mendieta. Salvadoran Foreign Minister Jose Manuel Pacas Castro and Presidency Minister Oscar Alfredo Santamaria, among others, also participated in the meeting to analyze the documents found in the Santa Rosa weapons cache, related to the existence of an international terrorist network.

The Nicaraguan officials and the Salvadoran president agreed to carry out the investigations to the end and maintain continuous levels of communication and coordination that will allow the elimination of all activity that may interrupt constitutional order and the democratization process.

Another issue covered by both delegations was the one related to the 15 Salvadoran fishermen arrested by Nicaraguan warships within that country's territorial waters and steps to procure their immediate release.

Afterwards, President Cristiani explained the responsibility of the group of representatives from countries such as Spain, El Salvador, Nicaragua, Mexico, Venezuela, and lastly the United States. The group will conduct an in-depth investigation into the FMLN arsenal in Managua and its possible connection to an international terrorist network.

Guatemala

URNG Leaders Discuss Peace Process

PA2308164293 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 16 Aug 93

[Interview with Commander Gaspar Ilom, nom de guerre of Rodrigo Asturias Amado, and Commander Rolando Moran, nom de guerre of Ricardo Ramirez, leaders of the Guatemalan National Revolutionary Unity, URNG by Dionisio Gutierrez in Mexico City; from the "Free Encounter" program; date not given—recorded]

[Text] [Gutierrez] From Mexico City to Guatemala we present a "Free Encounter" with the commanders of the Guatemalan National Revolutionary Unity, URNG, during which we will try to clarify the doubtful political resolve of a rebel group in signing a document that would provide an opportunity for attaining peace.

The victims of this inexplicable war continue to be the people, particularly the poorer ones. This war continues to be the excuse and argument for mafias and opportunists, who take advantage of the state of impunity prevailing in the country, where justice continues to be nonexistent. Throughout this guerrilla "Free Encounter," we will seek replies from the URNG about its war past, its present negotiations, and its political future.

[Words indistinct] We have here several URNG commanders, including Rodrigo Asturias, who is Commander Gaspar Ilom of the ORPA [Revolutionary Organization of the People in Arms], and Ricardo Ramirez, who is Commander Rolando Moran of the EGP [Poor People's Guerrilla Army].

Gentlemen, we thank you very much for receiving us here in Mexico City and again for giving us the opportunity to discuss the peace process within Guatemala's social and political situation and other topics we might discuss during these moments. As the topic is very complex, let's try to touch upon some of the points, and if you have any special points you wish to emphasize, we will also discuss them. Let us begin by trying to clarify this concept as much as possible so that Guatemalans will understand the peace process, what it is all about, how the process is going to work out, and so forth.

The language has become somewhat complicated. Today we are referring to the process of negotiations. Mr. Asturias, what are your conditions for settling peace in Guatemala? Could you briefly say so words that the people will understand?

[Ilom] I believe that in light of the complication of the process.... [pauses] This is an artificial and cunning complication. The process [words indistinct] what we ask and what we propose is to resolve the causes of the armed conflict and which became more serious during the armed conflict. This is the [words indistinct] that allows us to devise a political solution [word indistinct] makes it viable to end the war and that war and peace may be a solid and consistent reality.

[Gutierrez] If I understood you well, this means that you first want a solution to Guatemala's problems before you sign peace.

[Ilom] We think, and we have said this many times, that the bases must be established; there must be political agreements; there must be a calendar for implementing these agreements.

[Gutierrez] What are these bases?

[Ilom] The bases are solving the country's large problems [words indistinct), and we have included that in our negotiations platform. It is not something that cannot be attained or implemented. It is what should have always been done in Guatemala. Furthermore, many aspects are

included in the new laws that are not being observed; therefore, if we look into the problems of the people, who have been displaced due to the armed confrontation, if we go into the Indian people's rights, if we concentrate on the Army's role in a democratic society within the framework of the (?prevalence) of civilian society.... [pauses] This is another basic issue for solving the problems....

[Gutierrez, interrupting] When you explain this, many Guatemalans, myself included, become very confused, and the process becomes very complicated. It seems that you would like to reach paradise in one day, in other words, find a place where human rights are duly respected, where there is justice, no more poverty, no violence, no corruption. If you would like for all of these problems to be solved, you will probably never reach Guatemala or any other country of the world. This is a complex process that also has very complex causes that must be analyzed so that the same mistakes will not be made again.

These are political processes that should be resolved in a political and democratic manner through laws and institutions, not by negotiation processes that [words indistinct] in the case of the negotiations process by the government as another tactic of negotiations.

[Ilom] I think this is a misinterpretation of what negotiations could be as a path toward political solution. Definitely, it is feasible as a path for political solution, but to attain this it is necessary that the political will exist on each side. Of course, there are also difficulties [words indistinct], because they are the main topics. This does not mean, however, that we are inflexible [words indistinct] they are not problems on which we cannot reach an agreement, on which we cannot reach a national consensus to change their bases, so that [words indistinct] a new Guatemala, that may resolve the permanent acute crisis in which it has lived during the past 30 years. I am not talking about a paradise, but not talking about a paradise does not mean giving up basic things. What we are proposing are the basic things, things that cannot be replaced for people to be able to live in peace.

[Gutierrez] Let us continue with this topic, which is most important. I want to ask you, Mr. Moran, if you could consider the possibility of joining the Guatemalan political system, which is not perfect, as it has great deficiencies? At any rate, this would be the most legitimate and honest way of solving the Guatemalan crisis and not continuing, as many criticize, to live comfortably in exile, waiting for the solution of all problems so that when Guatemala becomes a paradise then you can join political life.

[Moran] I believe that this stems from a false dilemma that has been brought up. This brings up the origin of the war in Guatemala, what provoked the war in Guatemala. There was a democratic process in Guatemala. In 1954, this democratic process was abruptly destroyed by an armed intervention in which Guatemalans participated. They violated human rights and interrupted the democratic process, which was moving along the right track.

We must recall that back then Guatemala was considered the only democracy in America, but [words indistinct]. From this moment on [words indistinct] history, we will realize [words indistinct] that you talked about deteriorated gradually until it became practically impossible to seek political, democratic, and institutional solutions to Guatemala's development as a part of civilized nations.

[Gutierrez] Do you still believe that Guatemala's problems must be solved by weapons?

[Moran] No, I would not put it that way. I feel that as long as we fail to achieve an institutional, democratic solution with the people's participation and full respect for human rights, solutions in Guatemala will always be violent, whether promoted by armed guerrilla groups; quite frequently they cause devastation and large massacres [words indistinct].

[Gutierrez] What you just said might have been more relevant when former dictator Serrano was still in power. The people demonstrated a certain level of political participation and maturity during the recent Guatemalan crisis, an institutional crisis during which the president decided to eliminate two state organizations and become a dictator. The people strongly rejected this action, and the level of popular participation saved the democratic process, which is still imperfect and still has many deficiencies, but the effort placed then human rights ombudsman De Leon Carpio in the Presidency by popular acclamation. Every sector in the country participated, and it was a political, civic movement. I believe this was the best example Guatemala has set over the past few decades regarding how a democratic nation can be built with the people's peaceful, democratic, and political participation.

[Moran] I said during a broadcast interview that President De Leon Carpio's rise to power and the manner in which it was accomplished represent a hope but not a guarantee, because the entire civic movement dashed Serrano's hopes, but nothing has been guaranteed as yet. The (?Solotenango) massacre took place after he took office and the Civil Self-Defense Patrols [PAC] are still operating."

[Gutierrez] The government insists that as long as peace is not signed, the PACs will continue to operate. Isn't this one more reason to support the signing of peace, as this is a sound and specific argument to eliminate the PACs? This would prevent massacres similar to the one you mentioned, for instance.

[Moran] Yes, but who will guarantee this? This can only be guaranteed through a process of negotiation, which establishes the foundations of political arrangements guaranteeing the dissolution of the PACs. [passage indistinct] reach accords that they pledge to observe. This is what we want.

The negotiation process we want will yield a pact. We must reach political agreements that guarantee [words indistinct], because we may see [words indistinct] that no armistice in the world has preceded peace conversations.

[Gutierrez] What can guarantee that such an incident as the massacre at Chalatenango will not happen again, even after peace is signed? We must encourage the very people to seek compliance. They must demand that there be a law, that it be respected, and that we want what we all want, namely a real state of law in Guatemala. But to make this description as clear as possible for our audience, let us touch on topics that may help us open this conversation even further.

[Word indistinct] strong impression in Guatemala that you do not want to sign a peace agreement. There is also talk that time is against you, especially with a government like the one we have now, which as you said is a hope, not a guarantee. We agree with you on this, but this government has the moral authority to make proposals that you [words indistinct] could not reject, because there is, as I said, a moral authority, political willingness, etc.

How will you avoid getting to the point of signing a peace agreement, which will be an instrument, it will never be a purpose, so that we can build in Guatemala a state of law where there is respect for human rights and guarantees for the physical and juridical safety of people?

[Ilom] I think that the belief of whether there is willingness to attain peace must be demonstrated with facts not with fantasies or mere symbolic things.

The resolve for peace is reaffirmed now by the URNG. This resolve is based on and is consistent with a definite proposal. It is a proposal that, in addition, has an idea, a logic, and an expression. Our proposal starts with definite proposals on specific topics. We believe this is the substantive part of what had been agreed to in the Mexican agreement when negotiations began.

[Gutierrez] Which is longer, the list of conditions on which you agree with the Guatemalan Government or the list of issues on which you disagree? Would you explain the main reason or conviction that has made it so difficult to conclude the negotiations process and sign a peace agreement? What is the main reason?

[Ilom] What we are seeing here is an unreasonable act of avoiding agreements and solutions for our problems. One very important, even historical case, is human rights. Human rights are [words indistinct] and unquestionable. The government prolonged this issue for a long time to avoid making that pledge.

[Gutierrez] The Guatemalan Government at one point agreed, and so did Perez de Cuellar when he was at the United Nations, to verify respect for human rights in Guatemala; if either of the sides violated these human rights it would be denounced. This was one of the conditions we requested and accomplished. Was it one of the most important conditions?

[Ilom] But conditions were imposed. Former President Serrano did not act in good faith. He tried to distort the negotiations, as proven during the five months from January to May. We did not do what we should have; that is, sign the human rights agreement and take the necessary steps for the immediate verification of the agreement on this specific issue, which the United Nations was willing to do.

The government and the Army, however, at the time, decided to use the agreement to call for an end to the armed conflict and a demobilization and cease-fire by the URNG, without first reaching an agreement on substantive issues that were already agreed. I believe it is useful to explain which issues are substantive because they involve all the essential political and social problems.

[Gutierrez] [Words indistinct].

[Ilom] As a displaced population, a right to [words indistinct], demilitarization of society, economic problems, and constitutional reforms.

[Gutierrez] [Words indistinct] Hopefully no, but you are practically asking for the whole country to be revamped, politically and economically.

[Ilom] It is the basis to make a pledge to do it. We know that there are things that can be resolved immediately. These depend on a government agreement; others depend on constitutional reforms and others involve productive and economic processes that require other changes.

[Gutierrez] Do you agree that the attrition process becomes greater as the negotiation process continues when criticism is levied? For example, we mentioned earlier the lack of political resolve to seek peace. Do you feel you run the risk that the Guatemalan Government may reach a point where they may feel they have sufficient moral authority to arrive at some sort of peace pact with all sectors of society, the United Nations, and a human rights verification group effecting constitutional changes, and you are simply left out of an agreement? If you do not handle the affair with political ability time will simply run out.

I must say that there have been polls taken recently in Guatemala by enterprises that have high credibility that say the guerrillas or the URNG represent, in the order of priorities and problems for Guatemalans, two percent. Guatemalans give priority to such problems as the high cost of living, common violence, unemployment, and another series of problems. Then comes the guerrilla problem or the URNG with two percent. Who do you truly represent, Mr. Ramirez?

[Moran] We represent a series of economic interests in Guatemala that, unfortunately, have no say or will not appear in any public poll. We must first examine who were polled.

[Gutierrez] This was a national poll where all levels of the population were taken into account, all sectors.

[Moran] We need to consider that there is a certain margin of error, but in the case of Guatemala, you know our people very well; our people do not trust polls and only certain sectors of society are the ones who reply to the questions, generally....

[Gutierrez, interrupting] Things have changed a lot. You would be surprised by the people's level of participation today. Now, people dare to state their thoughts and we think this is a very important part of the new liberalization process.

[Moran] I would say that one of the most accurate and [word indistinct] polls deals with the electoral process. Electoral processes in Guatemala have been characterized by the high degree of abstentionism; in other words, a large percentage of the population fails to participate in politics.

[Gutierrez] This is really a problem at the world level. People are not interested in their countries' political processes.

[Moran] Exactly.

[Gutierrez] Consequently, this is considered normal, meaning that the amount of people who actually participate is very low.

[Moran] Yes, but people are different, and the countries' characteristics are different, too; for example, it is one thing to have a political party rule the country for four consecutive terms. It becomes weak. This is logical and natural. It is not the same in Guatemala, where injustice, human rights violations, massacres, poverty, deprivation, diseases, lack of public aid, and a chronic economic crisis afflict society.

[Gutierrez] There is a very important topic, the electoral process. There is one thing we can state with assurance about Guatemala: We now have electoral democracy. The people's vote is respected, at least the vote of those who cast their ballot, because [words indistinct]. If the URNG signs a peace agreement and becomes a political party, do you believe all the people who do not participate in elections would actually participate in your favor and, in fact, allow you to achieve power and eventually allow the party to reach the executive branch?

[Moran] I will answer with a question: Do you believe we would have been able to wage an armed struggle for 30 years if we did not have the Guatemalan people's support or if we were talking about two percent only? Do you believe that?

[Gutierrez] Like you said, it has been a process that included strong antagonistic positions. I have always believed that the Sandinists' inception in Nicaragua was essentially due to the existence of a Somoza. This is like the famous case of the pendulum and the sociopolitical crisis in El Salvador. Guatemala never reached that extreme, for various reasons, but we would have if the military dictatorship we had in the late 1970s had continued. That would have been the same case of the pendulum. It would also be interesting.... [pauses]

You believe you truly have the people's support. The logical and correct way to solve social, political, and economic problems in a country is from the inside and from a position of power, because that gives you more strength to solve them. If you believe you have that strength it would be somewhat naive not to quickly accept to go to Guatemala and participate in a political process [words indistinct] and achieve power. Serrano, himself, achieved power almost miraculously. No one believed it. Nevertheless, the polls conducted at the end of the electoral process in which he participated gave him a big lead in the last weeks, and he won.

[Ilom] Political processes are easy to manipulate, particularly when you have control over the media. Frankly, I do not believe in public polls, because pollees are led to give answers prepared in advance.

[Gutierrez] Can one (?talk) about those cases?

[Ilom] I really have had [word indistinct] the real value of questionnaires, because they create a certain way of thinking and answering. They contain an expected answer.

[Gutierrez] It would also be interesting if you could comment on the probable incorporation of your organization into Guatemala's political life, just as the FMLN did in El Salvador. Commander Joaquin Villalobos not only will participate as a presidential candidate, with a good possibility of winning, but he admits that the war was a mistake on both sides. He even accepts the market economy. Is your organization planning to participate in politics in Guatemala?

[Ilom] We envision the possibility of finding a political solution. We clearly understand that political participation, in that way, is part of the process. I have to say that we have consistantly participated in the country's political life, not only now that there is a possibility of dialogue and negotiation. The URNG's struggle was always a political struggle, solely for political reasons [words indistinct]. Ours is a different way of waging this political struggle.

[Gutierrez] Would the URNG participate in the Guatemalan electoral process?

[Ilom] Of course, provided the conditions are right. Our participation in the elections is one of the points in the negotiations.

[Gutierrez] Who would be the URNG's presidential candidate?

[Ilom] That subject is of a very secondary nature. Political training and participation are the important things. It is too soon to discuss these subjects, however, because our energy and capabilities are focused on carrying out the negotiations.

[Gutierrez] Nearly two years have to pass before the next electoral process. God willing, the next one after that should happen five years later, in the year 2000; that is seven years. I am sure the Guatemalan people would like a peace agreement to be signed before two years. [Words indistinct] Let us move briefly to a different subject.

[Moran] [Words indistinct] Before considering who could hold the position of president, the political platform should be studied. There are as many political platforms as candidates. There has been no political platform in Guatemala for a long time.

[Gutierrez] (?There) has been one at least for the past seven years. Any political platform must be implemented by people.

[Moran] Of course, but the first step should be a political platform.

[Gutierrez] But it is people who make political platforms. There is something interesting and worth mentioning. Every time there are criticisms due to political willingness, the government feels the urge to [words indistinct].

Marxism-Leninism continues to be regarded as the ideological basis of your organization. We discussed this subject in our previous program. You people regard all agreements as a basic process, a long-term dialectic lesson that leads society [words indistinct]. In the Marxist-Leninist view, the collapse of the Communist block [words indistinct] and for this reason you people are willing to sit down and negotiate.

It has also been said that the Guatemalan Government would go to the United Nations and other international bodies and make its own peace pact. What would happen if this happens? The Mexican Government has been criticized, because it is dealing with the Guatemalan guerrillas better than the Mexican guerrillas, who the government is even fighting. In addition, there is the arms storage found in Tehuacan, which is attributed to the URNG. There has been an alienation with the Mexican Government, which is no longer comfortable with the URNG in Mexico as it was in previous years. What will you people do in case the Mexican Government [words indistinct]?

[Ilom] I think that it is too full of untrue concepts. It could take us the whole program to analyze [words indistinct].

You said that, in conclusion, it is Marxism that takes society [words indistinct], of the problem of the socialist field, the problem of whether to make a peace pact on the side, of what kind of peace pact it would be, if not the belligerent parts, etc. [sentence as heard] These are things that have many inconsistencies.

[Gutierrez] There is a point that is important for you to clarify a bit. When you ask what peace we can attain if the belligerent parts are not there, you are admitting that, in Guatemala, there are 10 million people forming the different sectors of society. The government has the moral authority and honesty [words indistinct] a pact with all the national sectors in Guatemala struggling to get ahead and make a peace pact. [Words indistinct] there an analysis that I believe has validity and which will require much political ability on your part to avoid being left by the train [words indistinct].

[Ilom] [Words indistinct] and, of course, in a process of negotiation and a process of political struggle there are complications and situations, but, precisely, it has complications. It does not have the simplicity of [words indistinct].

We, as the URNG, [word indistinct] that the people's problems are solved. [Word indistinct] we have found now through negotiation. Find another way to solve the people's problems, which they have sought for 30 years, or inform them of a really democratic one, and then the causes [for the war] will disappear. When the causes disappear, there will be no reason for the war. This is an idea we have. [words indistinct]

[Gutierrez] [Words indistinct] Mr. (Rosada), who is heading the government commission for the peace negotiations, said you want to win through political means what you could not win through military means. He even said the government's position in this regard could be: Why would we give up politically what we have won militarily? And in this dialectic....

[Ilom, interrupting] That is very interesting, because Mr. (Rosada) should get the rank of colonel; that is the thesis we have discussed very deeply with the high-ranking Army chiefs.

There is a thesis that says that the Army staff knows [words indistinct] update that information, and things are not (?that way); they must be proposed in reality, and things are done that way.

It is very clear that there is an armed conflict in Guatemala, that armed conflict cannot be ignored. Thirty years of propaganda, psychological warfare, and disinformation will not bury it.

[Moran] [Words indistinct] more people die in Guatemala due to drug trafficking, common violence, crime, robberies, and all those kinds of violence, which is in our country, than because of the war itself....

[Gutierrez, interrupting] [Words indistinct] but the problem is not how many people die.

[Moran] But the fact is that Guatemalans continue to die due to these causes.

[Ilom] The important thing is the existence of the conflict and the possibility of resolving the conflict.

[Gutierrez] [Words indistinct].

[Moran] At this moment, the mortality rate in Guatemala is higher due to drug related cases, misery, cholera, child [word indistinct], etc.; thus, these should be the problems [words indistinct] priority, but they are not the problems the authorities are confronting.

[Gutierrez] [Words indistinct] this topic is important, I think. Precisely, because of what you have said, that common Guatemalans who do not have much analytic capacity (?besides) the war. What you should do as the logical thing is integrate Guatemalan society and, all of us together, help and collaborate to end infant mortality, poverty, malnutrition, health problems, common violence, etc., and not make more war, more violence. It makes no sense.

[Ilom] Apparently, it makes no sense, but we need to reach the end of the negotiations with the commitment and the previous political agreements. The government has already promised to discuss a general agenda, but while these agreements are not fulfilled, we are [words indistinct]

[Gutierrez, interrupting] The wagon pulling the bulls.

[Ilom] The wagon pulling the bulls. We have to agree on and set the bases for the solution to this problem. Once the foundations are layed, we are willing to go ahead. I would like to mention two important points that all Guatemalans should know: First of all, we, the URNG, were the ones who had the initiative of proposing dialogue and negotiations to President Cerezo's government.

We were the ones who initiated it. In other words, [words indistinct] no need for discussions; secondly, it is untrue that war in Guatemala has [words indistinct]. Maybe you are not aware of the fact that the current Guatemalan Armed Forces launched an offensive that started on 17 February 1993 and ended precisely with Serrano's self-coup. In addition, [words indistinct] eight battalions were used; now I could not tell you how many casualties may have resulted from this operation. Casualties did not only occur among the fighters but also among the civilian population.

[Gutierrez] This gives us the opportunity to cover a very important issue, which is that several important changes have occurred as a result of the self-coup process you have just described. The executive branch initiated a cleansing process. The first to be purged were the president and vice president [words indistinct] and obviously a large part of the Cabinet of Ministers, as well as several minor officials. Even the Armed Forces, which are part of the executive branch, were purged. There have been some very important changes in the military hierarchy during the past months. When these changes are described as important it is because it has been acknowledged as such by the diplomatic corp, international community, and so forth.

Certain sectors have said that the changes have brought about some encouraging and effective signs. It would be interesting to hear your opinions with respect to the purging of the National Congress or the Supreme Court of Justice, where we continue to have significant problems. For example, comparing this process to your case within the URNG, who can remove you? Let us say if your members are dissatisfied with your performance or if your performance goes against the group's philosophy, is there an alternative to the position you both occupy? Do you depend on any higher command structure? How are your decisions taken? Rodrigo [Ilom], it would be interesting to hear your comments on these issues.

[Ilom] [Words indistinct] constantly travels to Mexico and then to Belize. In the final account, Belize continues to belong to us. It continues to belong to Guatemala. I believe that the first thing President Ramiro De Leon Carpio should do before the first talks on Belize are held is to consult with the Guatemalan people. The Guatemalan people are the only ones who can say what must be done.

[Moran] It is well known that it is an issue raised at a time when our foreign minister is talking about reviewing and analyzing policies. When we met with him he said it in such a normal manner, just like any other new administration that comes to power. That probably served to rescue an issue that was [break in transmission]

[Ilom] ....improvise the essence of this progress. On the one hand, it is believed that to be responsible to an organization is similar to buying something or receiving a gift. This is all part of a very long process through which we all have gone. From the start neither of us has been entirely responsible. We all started out as fighters. We have all been involved in this for the past 30 years. As result of circumstances in the war itself we have reached this point, but we are all backed and selected as a result of collective decisions by everyone within the administration.

[Gutierrez] Nevertheless, you cannot be removed?

[Ilom] Yes we can.

[Gutierrez] Can you be removed from the leadership? Is there an internal democratic process?

[Mora] [Words indistinct]. We can be removed from our positions precisely because the organizations we are responsible to are [word indistinct]. Most of all it is important for us to distinguish between a peace process, a normal political process, and a war process. Experience and competence has much to do in each case.

[Gutierrez] There is another interesting thing and it is part of the political process currently under way in Guatemala. During an interview with the magazine

POETAS back in 1980 or 1981 you, Mr. Ramirez, or Commander Moran, emphasized the importance of incorporating Indians into the revolution, following a concept that is more inclined to the legendary Mao Tse-tung's doctrine, and [words indistinct]. Do you really have the capability to influence and mobilize the Indian movement, or is this perhaps a movement that has already surpassed your theory and become an independent movement removed from a revolutionary orientation and mainly dedicated to becoming a group which has a say in society? In fact, the number of Indian representatives in Guatemala increases every day. They have more and more leadership and important positions, which is quite positive, by the way. How is that relationship doing? Tell us if the Indian movement has become independent from you, so to speak, when you wanted them to be part of the revolutionary process.

[Moran] We have an organic relationship with what you call the Indian movement, but which I call the Guatemalan people's Indian conscience, which has been forgotten. We must bear in mind it is no mere coincidence that the Guatemalan guerrilla fronts are located precisely in what are predominantly Indian zones. I think this should be subject to an in-depth study because.... [pauses] where do we get the support that has allowed us to survive for 30 years? No, no.... [pauses] we tried in Cerro de las Minas but the effort failed. Generally speaking, you can see the Guatemalan guerrilla fronts are essentially located in the country's most densely populated areas—mostly populated by Indian groups.

[Gutierrez] You do not think the best way to help all these people overcome the poverty and backwardness in which they live would be something totally different from keeping them in a state of war?

[Moran] It is not a matter of keeping them in a state of war, of course. It is a matter of helping them achieve all the rights they have inherited by birth and earned throughout history. They should enjoy these rights instead of being what they currently are, completely (?different) groups of the Guatemalan population. You know perfectly well half of this population does not even speak Spanish. How, then, can you demand that a person, who does not speak Spanish and has never had the opportunity to speak Spanish, or learn to read and write, become an expert on Guatemalan institutional issues.

[Gutierrez] No, but I think there is nothing more aberrant or terrible for those poor people than keeping them immersed in a senseless war. In other words, it is again a matter of deciding what comes first, the signing of a document which may become the means to struggle for Guatemala's progress or solving all the problems in Guatemala before signing a peace agreement. This is somewhat contradictory.

[Moran] Let us first see what the paper contains because a cease-fire cannot be carried out without an agreement.

[Gutierrez] Obviously, obviously. It can be a document which....

[Moran, interrupting] If the document contains all the political agreements that guarantee and establish the groundwork for Guatemala's economic, cultural, social, and ethnic development and so on, we would be quite willing to sign that paper.

[Gutierrez] There is another very interesting thing. We want to briefly refer to it. There is a lot of criticism in Guatemala concerning the source of URNG funds, meaning its finances. It is known that one of the ways you get funds is to collect war taxes. Many criticize it and say it is actually called robbing the people's possessions. It is said that small and medium sized cattlemen are charged for each head of cattle they have on their small farms. This does not usually happen to large landowners. It is publicly said that the teachers, who are among the Guatemalans who earn a low salary, are also charged a tax by the URNG. It is said.... [pauses] what do you do with that money? Do you distribute it, Robin Hood style, among the poor people or is it what really supports URNG operations?

[Ilom] The war tax is an element that has been used, above all in the Army propaganda, as a cover up because this is a system used by their special troops. They rob (?farms), trucks on the highways, and so on to discredit the URNG. That is not an URNG war tactic. The so-called war tax is not part of our policy and actions. There is a war tax but it is not.... [pauses] it is a technical matter [word indistinct] different possibilities and capabilities, and based on [word indistinct] actions. That is the case.

[Gutierrez] Some people in Guatemala complain that they have been victimized by that situation because it is possible that opportunists are using your name to collect a few cents, which affects [words indistinct] even more. That is why we say that [words indistinct] is another result of keeping Guatemala in a state of war; in other words, of all the contradictions and consequences of keeping Guatemala at war. It contributes to the abuse of power and other actions by many unscrupulous individuals.

There is another interesting subject that political analysts have studied. Some say there are two areas that the guerrillas or the URNG can [word indistinct] and which are common in the world: the environment or [words indistinct] as in the case of Guatemala, which is very special. For example, in the environmental field, the recent sabotages you perpetrated, which caused oil spills [words indistinct], there was a spill of 260,000 gallons of oil that seriously affected the environment, are a contradiction. The spills also affect truck drivers, because as you know, large oil companies have contracts with humble drivers who earn a living transporting oil shipments to their final destination. We find this contradictory, as oil sabotages cause environmental damage.

[Moran] There are a number of factors used in war situations and against [word indistinct]. In other words, the Guatemalan [words indistinct] through fuel, and very expensive fuel. The Air Force bombs the civilian population in [word indistinct] areas. This has been confirmed by successive delegations, including the human rights ombudsman. He has seen torched villages.

Now, how can these things be compared? From a moral standpoint, is it a greater responsibility to prevent the Army from using that huge amount of fuel in war games against us or from using the final product, such as a 250 kg bomb. That [words indistinct] I have pictures I can show you, I can send them to you.

[Gutierrez] I think that is precisely another good reason to end this war. You must realize that every day more Guatemalans are asking why Guatemala is being kept in a state of war. In other countries the war is already over, such as the [words indistinct], the Chilean, Bolivian guerrilla movements. At a given time they decided to sign a peace agreement. Jaime Paz Zamora, a guerrilla commander, became president of Bolivia. He not only embraced democracy but also implemented a free market economy and now Bolivia has great potential for development and to overcome poverty. Is it sensible and logical to keep Guatemala in a state of war and confusion, letting the opportunists take advantage of the situation to allow greater impunity? Is that logical? Why not accept the fact that it is time for you to become political leaders and agents [words indistinct] for Guatemala for your ideas and ways to see things. Why not commit yourselves to the people, who continue to be the victims and must suffer the consequences, and really want peace? Why not sign a peace agreement? [words indistinct]

[Ilom] We would be willing to sign a peace agreement if it [words indistinct] and specified the solutions [words indistinct] the solutions and political agreements on the fundamental aspects [words indistinct]. It is impossible to sign a peace agreement without formulating and agreeing on that platform. Instead of only talking about peace, we must encourage the discussion of solutions so we can agree on the main issues. The previous government argued and distorted the logic of the negotiations. If it had not done so, the discussion of the main points probably would have concluded by now. It [word indistinct] with the cease-fire maneuver [words indistinct] prevented any advancement in the negotiations. Advancing the negotiations is the important thing. We know and we maintain that negotiations are not [words indistinct] and that there should be a reasonable deadline, which should not be used politically or arbitrarily. That only creates false expectations. We already have that experience in Guatemala. We cannot find solutions that way.

[Gutierrez] We only have a few seconds left. There is a forum in Guatemala called the National Forum for Consensus, in which practically all sectors of Guatemalan society are represented. The group has encountered some problems because it represents so many sectors. Recently, however, the group has [words indistinct] and wants to join the peace process, the negotiation process. The group's objective is simply to make possible the signing of a document that can be the means and basis to begin a real quest for peace in Guatemala. Could you briefly tell us how you view the creation of the National Forum for Consensus as a means of peace negotiations? Do you see any risk in this group showing more willingness than you?

[Ilom] No, there is no such risk, because we are willing to work for peace.

[Gutierrez] So you [words indistinct] participate in the peace process?

[Ilom] Of course. It is we who proposed that civilian sectors participate in the negotiation process. We made the proposal to the previous government. This morning we read an interesting news item. A peace commission, coordinated by Hector [words indistinct], had been created. This is what I have to say. We would very gladly welcome the immediate signing, with this peace commission, of a political agreement on human rights, which would be verified by international organizations.

[Gutierrez] Well, at least this gives us hope that you will continue advancing the peace process and that an agreement will soon be reached. Unfortunately, we have run out of time. Thank you again for granting us this interview in Mexico.

Honduras

Army General: Border Troops To Maintain Security

PA2308202493 Mexico City NOTIMEX in Spanish 1909 GMT 23 Aug 93

[Text] Tegucigalpa, 23 Aug (NOTIMEX)—Guillermo Paredes Hernandez, chairman of the Joint Chiefs of Staff, held a news conference and said that the Honduran Army will remain at the Nicaraguan border "indefinitely" to guarantee the security of Hondurans in that area and not as a provocation. Paredes said the situation in Nicaragua is "worrisome," particularly because "a region that we thought was peaceful is being wracked by violence again." He added that it is also worrisome because the Nicaraguan situation could have repercussions in Honduras. "Violence in other countries generally has repercussions in our country," Gen. Paredes said.

Paredes was referring to the kidnapping of two groups of persons in northern Nicaragua and in Managua by rearmed former contras and former Sandinist soldiers.

Paredes Hernandez said that bands of armed men have attacked and killed Honduran citizens at the border,

therefore residents have requested that Honduran soldiers be present in the area.

Honduran Armed Forces Commanding General Luis Alonso Discua Elvir on 20 August announced that the Honduran Army was in a state of alert due to the kidnapping of government officials and politicians in Nicaragua.

Paredes Hernandez stressed that the presence of military forces at the southern border "should not be seen as a provocation, but as an action to guarantee the security of our fellow citizens."

Envoy Says Nicaraguan Crisis Not To Affect Region

PA2308170093 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 23 Aug 93

[Report by Carlos Medrano]

[Excerpts] Despite the fact that a group of contras and a group of Sandinists have kidnapped top-level personalities in Nicaragua, Noel Rivas Gastezoro, Nicaraguan ambassador to the government and people of Honduras, has said there is no danger that the climate of violence, which his country is experiencing, will have any effect on Honduras' democratic and institutional life.

He also said it was normal for the Honduran Army to be alarmed over the crisis in Nicaragua because, in the past, the contras have entered Honduran territory. Rivas added that the events in Nicaragua were very harmful to the history of Central America. [passage omitted]

[Begin recording] [Medrano] How will these events negatively affect our country and Central America?

[Rivas] They should not affect Central America or Honduras directly because they are internal Nicaraguan problems and we expect them to be resolved shortly.

[Medrano] How do you see the fact that the Honduran Army is on alert and has alerted its troops in its border areas?

[Rivas] This is a logical precautionary measure. It, however, does not imply that there is any danger of confrontations occurring. [end recording]

President Denies Establishing Relations With Cuba

PA2308221893 San Pedro Sula TIEMPO in Spanish 21 Aug 93 p 6

[Report by Gustavo Palencia]

[Text] Tegucigalpa—President Rafael Leonardo Callejas insisted that Honduras will not establish relations with Cuba and at the same time disclosed that he is not planning to travel to the island governed by Fidel Castro. "I am not planning to visit Cuba as president of the Republic", the president said about speculation on his plans to visit the Caribbean island where the only socialist government in Latin America still persists. "There is absolutely no connection, no relations, nor must there be" the president stated when consulted about the possibility of his administration establishing diplomatic relations with Cuba.

Callejas insisted that the business venture that Honduran businessman Miguel Facusse plans to carry out in Cuba by planting 20,000 hectares of African palm has nothing to do with the "policies established by the Honduran Government with respect to Cuba."

Nicaragua

Government, UNO, FSLN Communique on Hostage Crisis

PA2308143093 Managua Radio Nicaragua Network in Spanish 1100 GMT 23 Aug 93

[Communique issued by the tripartite commission, comprising members of the government, UNO, and the FSLN, in Managua on 22 August; from the "This Morning" newscast—read by announcer]

[Text] The Government of the Republic of Nicaragua, the National Opposition Union [UNO], and the Sandinist National Liberation Front, FSLN, recognize the urgent need to preserve and strengthen the state of law in order to guarantee the country's institution.

Therefore, it is essential that the Dignity and Sovereignty Commando and the 3-80 Northern Front immediately release His Excellency Vice President Dr. Virgilio Godoy, which will benefit the country's stability, and immediately release National Assembly representatives Miriam Arguello, Doris Tijerino, Alfredo Cesar, Duilio Baltodano, Luis Sanchez Sancho, Carlos Gallo, Humberto Castilla, Ricardo Vega, and Joaquin Absalom Pastora; as well as UNO Political Council members, government officials, Special Disarmament Brigade members, and citizens wrongfully held.

This action will allow the government and the most important groups in the country to establish the groundwork for a true national reconciliation policy to overcome the overall crisis that afflicts us today in the political, economic, and social sectors.

We condemn the loss of valuable human lives which, in the line of duty, were subjected to a traitorous attack on 19 August 1993 in Zompopera.

[Signed] For UNO: Dr. Eduardo Rivas Gasteazoro, Eng. Roberto Urroz, Dr. Adolfo Jarquin, Dr. Nardo Sequeira, Mr. Eli Altamirano, Dr. Luis Humberto Guzman, and Eng. Jaime Bonilla.

For the government: Presidency Minister Antonio Lacayo, Government Minister Alfredo Mendieta, Foreign Minister Ernesto Leal, Finance Minister Emilio Pereira, Labor Minister Francisco Rosales, National Institute for Agrarian Reform Minister Director Boanerges Matos, Deputy Presidency Minister Jose Adan Sierra, and Deputy Government Minister Joaquin Lobo.

For the FSLN: Daniel Ortega Saavedra, Sergio Ramirez, Bayardo Arce, Victor Tirado, Rene Nunez, Luis Carrion.

Commander 31, Cardinal Cited on Crisis

PA2308141793 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1205 GMT 23 Aug 93

[Interview with Commander 31 and Cardinal Miguel Obando y Bravo from Managua via telephone by Caracol News Director Dario Arizmendi and an unidentified reporter; from the "Up to the Minute Caracol Newscast"—live]

[Text] [Arizmendi] We send greetings to Commander 31 in Managua, Nicaragua, and we would like to ask him about the situation following the kidnapping of more than 40 people on 20 August in retaliation for the action carried out by El Chacal [Jose Angel Talavera], who kidnapped some 40 Sandinists. Commander 31, we greet you from the "Up to the Minute Newscast" of the Caracol Network. Good morning.

[Commander 31] We also send greetings to the progressive and revolutionary peoples of Latin America, who are defending their (?dignity) and sovereignty. I think there is a misinterpretation of [words indistinct] defending the cause of Sandino, Benjamin Zeledon, Carlos Fonseca Amador, German Pomares, and many other Nicaraguan martyrs [words indistinct].

[Arizmendi] Commander, unfortunately, our communications are very poor. We want to ask you: Will you free all hostages, including the journalists who are with you, in the next few hours?

[Commander 31] We have adopted strict security measures, strict measures [words indistinct] journalists [words indistinct] limited access. We also have isolated all of the hostages. We have placed them in different rooms to protect their lives, because we have information that special units of [word indistinct], which is under the FBI, were trying to organize a sudden attack to free the hostages, along with the special forces of the Nicaraguan Police. They do not care about the lives of the other hostages, only the life of Vice President Virgilio Godoy, or about the others we are holding.

Therefore, we have adopted certain measures. We reinforced surveillance on and protection of the [word indistinct], and we have implemented the six-meter plan, which consists of protecting the facilities and a perimeter of about 200 meters [words indistinct].

[Arizmendi] Commander, yesterday El Chacal freed about 20 hostages. Will you do the same as a goodwill gesture?

[Commander 31] We have already freed 19 people. We freed three people on 20 August, 14 on 21 August, and two more yesterday. We have freed a total 19 people.

[Arizmendi] How many people are still in your hands?

[Commander 31] We still have about 25 people. The journalists are not hostages. They are here as a security measure for our lives and the lives of the hostages. The journalists are not hostages. They are here as a security measure in case there is an assault.

[Arizmendi] Are there women and children among those 25 people, aside from the journalists?

[Commander 31] We do not have women and children here. The only woman, who has chosen to remain here is Miriam Arguello. She is a deputy of the Nicaraguan Conservative Party of the National Assembly.

[Arizmendi] Under what conditions and circumstances would you be willing to free the remaining hostages?

[Commander 31] We issued a communique yesterday demanding the immediate release of all those kidnapped by the 3-80 Northern Front. El Chacal is a very a skillful and intelligent man. He freed only the soldiers of the Special Disarmament Brigade.

[Arizmendi] If he frees the other hostages, are you willing to end your protest and free the remaining hostages?

[Commander 31] If he frees all the hostages, it is possible we will do the same. He is defending a political position which I think has nothing to do with the hostage situation. I think he should worry more about the peasants who have been deceived by him. They think he can help their agricultural work and provide economic aid. The area where he operates grows a lot of beans and corn, which are the peasants' main crops. The peasants think El Chacal can help. I think he [words indistinct]. We are indeed defending the peasants' rights. We are requesting loans for 3-80 Front peasants.

[Arizmendi] Commander, Managua Cardinal Miguel Obando y Bravo's mediation has been mentioned. Has he started to mediate?

[Commander 31] The cardinal has just said that he has accepted the mediation. I am waiting. I am waiting for him to contact the government. We have said that we will accept his mediation. Nevertheless, we also want to guarantee something else. We want to ensure that former President Daniel Ortega will be part of the negotiations.

[Arizmendi] What attitude are you willing [words indistinct] armed conflict with Nicaraguan Special Forces?

[Commander 31] [word indistinct] the first measure is to protect civilian lives. Second, we will defend this place at the cost of our own lives.

[Arizmendi] Are you willing to die if necessary?

[Commander 31] Yes, we are willing to die.

[Reporter] Commander 31, would you...

[Commander 31, interrupting] We have the capacity to resist and enter rigorous combat to dissuade the forces from launching an attack against this house.

[Reporter] Could you, Commander 31, at this time, 0711 in Colombia, tell us what is the situation in terms of the food supply in the house and the health of the hostages?

[Commander 31] All of the hostages are in good health. The CIAV-OAS [International Commission of Support and Verification—OAS] physician has checked them periodically. He did so last night. Also, representatives of the three human rights commissions that work in Nicaragua came here last night. We gave them hostages Jorge Ramirez, national director of the Neo-Liberal Party, and Dr. Guillermo Selva, Supreme Electoral Council magistrate. We gave them those hostages last night and they appreciated our action of goodwill. We were the first to release people.

[Arizmendi] Are you optimistic that...

[Commander 31, interrupting] [words indistinct] situation by the government.

[Arizmendi] Commander, are you confident that the crisis will be resolved in the upcoming hours today?

[Commander 31] I do not see how. We have been here approximately 72 hours. Tonight, we will have been here four days [words indistinct]. We see the talks are going slow because the cardinal has placed more obstacles. Unfortunately, the pastor of the church is the one who has placed more obstacles. For example, he refers to me in an offensive and derogatory manner. I know him well because I used to play the piano in a church where he held Mass. I used to play for the church choir. I am a Christian and a revolutionary and went to fight when I was a very young. [words indistinct] He knows me very well. I was talking to the cardinal and Eddy Montenegro [vicar general of the Managua Archdiocese] about a year ago. We were talking about the country's serious situation and the need to strive to improve it. We talked, he and I talked, about how this country was heading toward a point of violence that no one would be capable of stopping. He agreed with me. I cannot give you the exact date, but it was in June or July of 1992, when I was [words indistinct]

[Arizmendi] You have not talked to Cardinal Obando y Bravo since then?

[Commander 31] Right. I have tried many times to talk to him, to tell him that I was a leader of the retired military personnel and war veterans of this country. I was the Nicaraguan war veterans' president until a few days ago. I believed the line was really to say no to war and yes to peace. Nevertheless, Nicaragua continues at war. The war has not ended.

[Arizmendi] Commander 31, Cardinal Miguel Obando y Bravo is on the other line. Good morning, Cardinal. We greet you from the 0600 to 0900 Caracol newscast. Commander 31 is listening to you from the scene of the kidnapping. Good morning, His Eminence.

[Obando] Good morning.

[Arizmendi] Commander 31 said you have created many obstacles to mediation in this conflict. What is your response to that?

[Obando] In reality, the commander has never requested my mediation. On 22 August, one of the people who are there, I do not know if it was Commander 31 or someone else, talked to me after I talked to Vice President Dr. Virgilio Godoy. He [words indistinct] and asked me to mediate in an effort to get the 3-80 Northern Front to free its hostages. He asked me to mediate directly from the UNO House. On the other hand, it is always necessary to take the government's view into account prior to mediation.

[Arizmendi] Cardinal, you have agreed to mediate in the conflict?

[Obando] No. So far the president has never talked to me about a mediation effort. She only informed me of what is going on. Probably today we will reach an accord with the Nicaraguan Government and see how the events unfold.

I am interested in seeing the Nicaraguan situation resolved, both here in Managua and up there in the north. I believe that the safety of human beings should be respected and that every individual, who is being held, is naturally [words indistinct] his work or office. I hope this problem can be resolved without bloodshed.

[Arizmendi] Commander 31, the cardinal of Nicaragua is listening to you.

[Commander 31] I want to tell the cardinal, and he must remember this, that last year, when the National Association of War Veterans of Nicaragua was founded, I did this with all good intentions [words indistinct]. I think you remember me because one day when you were going to hold mass at the Channel 2 studios [words indistinct] I told you that I was the one who sang during mass. I was in charge of the choir. You know me; I am from the [name indistinct] Rivero. You know me very well, Cardinal.

We have spoken more than once. Perhaps you do not remember. You referred to me in a disrespectful manner. I am a Christian; I am a revolutionary. There are some things that I do not believe. You have referred... [pauses] I am not disturbed when you say to me.... [pauses] I tried to communicate with you in the predawn hours of 21 August. I even allowed Vice President Dr. Virgilio Godoy to speak to you to ask El Chacal to end his

actions. [Words indistinct] I freed 14 hostages. So far you have only referred to yourself, Your Eminence.

[Cardinal] You will excuse me, but is not the right time to begin a polemic. I have not referred to you specifically [words indistinct]. I do not know if you are covering your face with a handkerchief. I do not know who I am dealing with.

[Arizmendi] Commander, can you reveal your name so....

[Commander 31, interrupting] I am not covering my face with a handkerchief. My name is Donald Ignacio Mendoza Garcia. I am a retired Army major. I was military attache in Washington from 1979 until 1992. I believe that the U.S. State and Defense Departments know me very well.

I am a Nicaraguan citizen with a Christian, revolutionary family. I think you should know who I am, Cardinal. I do not think you can say you do not know me. I am not covering my face with a handkerchief.

Moreover, just as you interceded on behalf of El Chacal, I think that you should intercede on behalf of those who are here. There are lives here, too. There are women and civilians here. I think that not only El Chacal, up there in the mountains....[pauses] I do not know the condition of the people El Chacal is holding hostage. I believe that the role of the Nicaraguan people.... [pauses] I do not want to start a polemic, and I respect and admire you as a brave man. I think you can cooperate to help the peace process.

Cardinal, I want you to know that I do not want more violence. I believe that you must ask Msgr. Montenegro to tell you [words indistinct] July of 1992 [words indistinct] you could not receive me that day because you had a meeting with the people of the Nicaraguan Resistance, Your Eminence.

[Obando] Well, I do not know if you have [two-second break in reception] got to my curia or not. Many people, peasants, and workers frequently come to my curia. You may have come to my curia, but so far I do not know if you are covering your face with a handkerchief.

[Arizmendi] Commander 31, since Emisoras Caracol has given you this opportunity to speak to the cardinal, it is important that you state your demands so a peaceful solution can be achieved through dialogue.

[Commander 31] With all due respect, I agreed to a visit from the cardinal. I can assure you that you will not be kidnapped, Cardinal. No one will hold you against your will. You can come here and talk to the hostages without a problem whenever you want. You will see that I am not covering my face with a handkerchief. I have never done that.

[Arizmendi] Cardinal, under the aforesaid terms....

[Obando, interrupting] As I said yesterday, this must be done through the government. So far this mediation is not official. It must be made official through the government.

[Arizmendi] Cardinal, if requested by the government, would you be willing to appear at the UNO House?

[Obando] As I said before, the government has not yet asked for our mediation. We hope that the government [words indistinct]. It has been a pleasure talking to you.

'Commander 31' Wants Ortega in Talks

PA2308192393 Managua Radio Ya in Spanish 1715 GMT 23 Aug 93

[Interview with Commander 31, nom de guerre of Donald Ignacio Mendoza Garcia, chief of the Dignity and Sovereignty Commando Unit, by Omar Garcia at National Opposition Union headquarters in Managua—live]

[Excerpt] [passage omitted] [Garcia] Certain evangelical sectors have mentioned Mr. Gustavo Parajon as a possible mediator in this situation. What is your opinion?

[Commander 31] I will not disqualify anyone who wishes to participate in the negotiation, but we made a very formal request. First, we said Daniel Ortega, as former president and a public political figure of this country, should participate along with Cardinal Obando y Bravo in the negotiations. We have not heard him either accept or reject the proposal.

[Garcia] You will not react until hearing the commission's new reply this afternoon?

[Commander 31] We do not want to continue here. We are not desperate; we are serene and calm. However, we want this situation settled today. After that, the Dignity and Sovereignty Command will make a decision. We united voluntarily, but each one will later make its own decision after this situation is settled.

[Garcia] You held a meeting to discuss this?

[Commander 31] We met because we represent various segments of the population. We are a commando unit [words indistinct] take the course he wishes. My decision is to talk to Daniel Ortega. We will discuss the situation. We will see whether what we discuss is advisable for peace in the country. After that, we will (?see what happens).

[Garcia] Are speaking for yourself or in your capacity as group leader?

[Commander 31] I was speaking for myself.

[Garcia] That is your latest request because you have made two demands. The most recent ones of these negotiations pertain to security and what each member of this commando unit will do, right?

[Commander 31] That is correct. Each member will be free to do as he wishes. There must be a commission to give them safety and protect their lives. Each one of us will decide what course to take after this is over.

[Garcia] That is what is happening inside the National Opposition Union headquarters, where Commander 31, chief of the Dignity and Sovereignty Commando Unit, reported he contacted other forces in northern Nicaragua, which are pressuring for a solution today. That is, they want the situation settled today, because it seems there is, I do not know, in case the word desperation was not used, but we must remember this is the fourth day that UNO members have been held after being kidnapped at the headquarters as they were holding a meeting. People here are waiting for the results of a commission that is meeting in El Zungano, Quilali. [passage omitted]

FSLN Commander on 'Crisis,' National Interests

PA2408032493 Managua BARRICADA in Spanish 23 Aug 93 p 5

[Article by Roberto Larios]

[Text] On 22 August, Commander Luis Carrion Cruz, a member of the Sandinist National Liberation Front (FSLN) directorate, told BARRICADA that the profound crisis the nation has been subjected to following the kidnappings in Managua and Quilali forces political party leaders to put aside petty, pitiful personal and party interests. They must set, once and for all, the basis for a definite solution, he said.

"Should this crisis be favorably resolved, I hope, as a result of such a tragic situation, that we will understand that the violence we foster, because we believe that it will benefit our political interests, is a violence that will devour us all," Carrion said.

Carrion spelled out to BARRICADA the contents of the resolution issued by the Sandinist Assembly on 21 August. At the conclusion of its meeting held over the weekend, the assembly called on the nation's political forces to work toward reaching a national consensus.

According to Carrion, the issues the FSLN Assembly is putting on the national agenda, such as the reform to the economic policy, the property issue, the Law on Military Organization, and the reforms to the Constitution, are issues of national interest.

Carrion said: "It is in the nation's interest that there is a law on military organization, that the Constitution be reformed in those aspects which give the executive branch too much discretional power. This would not be to turn around and fall into a government ruled by parliament or the assembly, that would probably be worse than one ruled by the president, but rather it is to search for a balance that will make the government institution more democratic."

The FSLN also considers certain reforms to the constitutional text as necessary "so as to give legal security to agrarian reform beneficiaries, to the workers' privatization process, and to give society's organizations greater capacity to influence economic policy."

Another institutional factor that should be polished is the electoral system's representativity of the deputies. Carrion said: "In the current system there are many deputies who are elected from a list in a specific region where they have no links whatsoever with the local residents. The result is that there are large sectors of the population that have no type of true representation in the branch that is allegedly representative."

On the dialogue mechanism, Carrion explained that the FSLN feels that first an understanding must be reached among the nation's political forces. "The differences among the participants do not contribute to reaching an agreement," he said.

Carrion added: "This does not mean, and the FSLN would not agree at all, that the political parties or forces should negotiate secretly, behind the people. This negotiation, the agenda, the positions that each side adopts, should be open and before the people."

The FSLN does not consider appropriate any type of international mediation in this effort. Carrion said: "If Nicaraguans are not willing to reach an agreement, no international mediation is going to resolve matters. Unless we want it, there is no solution to the problems; if we want solutions, we do not need any mediation."

Lacayo, Ortega Reportedly Ask Cardinal To Mediate

PA2308204293 Managua Radio YA in Spanish 2002 GMT 23 Aug 93

[Report by Silvio Rodriguez]

[Text] We have very important information. Presidency Minister Antonio Lacayo, Daniel Ortega, Sandinist Front secretary general and former president of the Republic, and Social Christian Party leader Eduardo Rivas Gasteazoro are headed for the Managua Archdiocese chancery right now. We have information that they have just left the Presidency and are headed for the Managua Archdiocese chancery, where they will ask Cardinal Miguel Obando y Bravo to mediate the release of the kidnapped hostages.

It seems the obstacle placed by the cardinal has been surmounted. Cardinal Obando y Bravo has been telling reporters, relatives of the hostages, and everyone else that he could not mediate because the government had not officially invited him to do so. Presidency Ministry Antonio Lacayo is at the archdiocese to invite officially Cardinal [break in transmission].

Lacayo, Daniel Ortega News Conference

PA2408013593 Managua Radio Ya in Spanish 2145 GMT 23 Aug 93

[News conference by Presidency Minister Antonio Lacayo, FSLN Secretary General Daniel Ortega, and UNO representative Eduardo Rivas Gasteazoro with unidentified reporters following a meeting with Cardinal Miguel Obando y Bravo on 23 August; place not given; broadcast in progress—live or recorded]

[Text] [Lacayo] ...an assessment of the commission that went to Quilali in the north to meet with Mr. Talavera. The commission, which also had the participation of delegates of his eminence, [word indistinct] the response that in order to obtain the release of [words indistinct] it was very important to have the presence of his eminence. As I explained [10-second break in reception] of the Sandinist Front agreed to accept the formula found by the government to facilitate the legal departure of all those who have participated in this effort, both in the northern region and in the city of Managua. The letter addressed by the three parties to Monsignor Miguel Obando y Bravo clearly explains that he will be able to listen to Mr. Talavera and his team. Former President Ortega will explain it to the commando in Managua. That is, the Nicaraguan Government, the UNO, and the FSLN have agreed that any legal disposition adopted by the government will have the acceptance and support of the UNO and the FSLN.

[Station announcer, breaking in] This is a news conference being held by Presidency Minister Antonio Lacayo.

[Lacayo] ...when the government mission was there, when the delegation of the National Assembly was there to hear the 3-80 Northern Front's series of concerns. Let us recall that the Northern Front is concerned with the financing of the peasant activities, the land titles in that zone, and social benefits, which the government will continue to hear as soon as the situation returns to normal. The government is willing to listen to any other complaints they may have. In that sense, we have agreed that representatives of this commission will contribute so that the talks are fruitful and permit the 3-80 Northern Front to reintegrate as civilians into our country's peaceful life.

[Reporter] [words indistinct] the UNO, the Sandinists, and the government, when will you start working so we can attain stability for this country once and for all?

[Lacayo] Unfortunately, that is the way things are in our country. Under normal conditions it is difficult to find enough will among us to get down to work. In times of emergency, however, the spirit of solidarity of the Nicaraguan people surfaces. Just as we demonstrated true solidarity among Nicaraguans to help each other after the earthquake, we have seen now, as an effect of this hostage crisis, the UNO party representatives who were released, the Sandinists, and the government have not thought twice about meeting. I think this is a good starting point to continue talking as we did yesterday evening, as soon as this emergency is resolved. Then we can approach all those issues that will allow us to reach a good level of national understanding, to overcome our people's poverty, to improve services, to fight unemployment, and to discuss the issues that really need to be addressed, which are the issues the Nicaraguan people are concerned about. I think something positive must come from this tragedy, and I personally believe that we will all be capable of leaving those obstacles behind us, and address the problems with an attitude of solidarity, as we are doing now.

[Reporter] What do you think about the Sandinist communique issued on 22 August?

[Lacayo] We believe it addresses the issue in a constructive manner. We see interesting proposals there, which could also solve the political tension in the country. It addresses the issue of constitutional reforms, military law, and it addresses violence in a clear manner, as the document condemns it no matter where it comes from. We believe this is positive and I think all Nicaraguans must increase our commitment to the state of law and open rejection against violence and force, no matter from where they come from.

[Reporter] [words indistinct]

[Lacayo] We began working on the crisis in the north on 19 August. We had several work sessions that same day. On 20 August, as soon as I returned from my visit with President Cristiani in El Salvador, I came to assess the situation with the government minister and President Violeta Chamorro. We were working on that when the second hostage crisis began. Please bear in mind that these two events occurred hardly 24 hours apart. Nevertheless, the government's attitude has been the same. Our wish is to work together with the political parties and the country's majority political forces to bring the country through.... [10-second break in reception]

[Reporter] [words indistinct]

[Ortega] Given the fact that the situation at the [break in reception] UNO building, which I believe is more serious than the situation in the northern region, I believe is very important to meet with the commission that has been working continuously at the CIAV-OAS as soon as we finish here to inform them about all this. Then we should see Commander 40 and the kidnappers at the UNO offices to inform them about our discussions here, the agreements we have reached, and Cardinal Obando's willingness to participate in this effort. [name indistinct] will go to Quilali, and I will remain in Managua. We will stay in contact with the cardinal to seek a conclusion to the crisis that will contribute to our country's peace and stability.

[Reporter] [words indistinct]

[Ortega] I will go to the CIAV-C.[illegible] offices to report to the commission, and then I will see the Commando and the kidnappers.

[Reporter] [words indistinct]

[UNO Representative Eduardo Rivas Gasteazoro] [break in reception] We hope everything will be successful for peace in Nicaragua and freedom for the hostages. Everyone wants all Nicaraguans to be free. [four-minute break in coverage during which station carries a live report by Radio Ya reporter Omar Garcia from the UNO building in Managua on meeting between Nicaraguan National Police Chief Fernando Caldera and Commander 31]

[Ortega, in progress] ...on the contrary, this should be a matter of concern for the United States. With their threat to block Nicaragua, [words indistinct]. They have to contribute to overcoming the crisis in Nicaragua.

[Reporter] Commander, now that an agreement has been reached, that Cardinal Obando y Bravo has agreed to mediate, how long do you think it will take to solve this situation?

[Ortega] I would not like to venture setting a deadline as this depends on many things. It depends on the position that the 3-80 commandos take when the cardinal visits them tomorrow. I would like to make an appeal to all the armed groups that are in the northern area and who are along the roads that his excellency will travel tomorrow, to be respectful and to take care of security. The cardinal is coming [words indistinct] they must be responsible for his security and his life. We talked this over now with the cardinal [words indistinct] to Esteli, a little before [words indistinct] armed groups. I want to make an appeal to the armed groups to approach the areas of concentration and to stay away from the media to avoid any accident or any incident that would put at risk the commission led by the cardinal.

[Reporter] Did this tripartite meeting discuss [three-second break in transmission]?

[Ortega] Both the UNO and FSLN will accept any decision the government might make. For instance, procedures were discussed yesterday. One of them might be the current amnesty. In the hands of the president, this amnesty [words indistinct] these people. Anyway, the Sandinists would have discussed this in a little more detail. Some UNO members suggested that a new amnesty proposal be presented to the National Assembly.

[Reporter] What form would this proposal take?

[Ortega] The proposal is for a legal solution to offer some measure of protection to the people who are involved in these actions. We are giving a vote of confidence to the government so it can make the best possible decision within the legal framework. Two variants were considered last night. One, the current amnesty law that has not yet been ratified by the president be modified somewhat to allow these people to be included. The other variant is one that was proposed by some UNO party leaders, which is that a new decree be issued for another amnesty that would include these people. Anyway, the bottom line is that we are confident in the capacity of the lawyers, in the capacity of the government, to find the most expedient solution to this case.

FSLN Communique Seeks National Salvation Agreement

PA2308213993 Managua BARRICADA in Spanish 22 Aug 93 p 12

[Communique issued by the FSLN in El Crucero on 21 August]

[Text] Communique:

On 21 August, the Sandinist Assembly, presided over by the National Directorate of the FSLN [Sandinist National Liberation Front] met in El Crucero. After reviewing the critical situation experienced by our country and worsened by the actions that have endangered the lives of dozens of Nicaraguans kidnapped by armed groups 3-80 in Quilali and Sovereignty and Dignity in Managua, resolved the following:

1. We firmly and flatly condemn all acts of violence, which regardless of its cause or motivation puts Nicaraguan peace at risk because such acts only serve to increase social and political tensions.

2. All political and social forces, associations, labor unions, regardless of party affiliation, and the Nicaraguan Government have the obligation to fulfill the Nicaraguan people's desire to consolidate peace, democracy, the security of citizens, and to carry out actions that allow us to face the deep socioeconomic crisis of our people.

3. We demand the unconditional, immediate, and simultaneous release of all kidnapped people by armed groups 3-80 in Quilali and Sovereignty and Dignity in Managua.

We give our militant support and total solidarity to our kidnapped Sandinist brothers as well as our commitment that we will not rest until we obtain their release as well as the release of the other Nicaraguans that were taken hostage while on a peace mission.

4. We firmly support the agreement signed this morning by the government, the UNO [National Opposition Union], and the FSLN. We agree that the necessary steps be taken to permit the release of the hostages, aid in strengthening peace, and achieve a national agreement to save our country. The Sandinist Assembly states its support for the FSLN Directorate and whatever initiatives it carries out to achieve its goal.

5. The FSLN is ready to negotiate without conditions with the government and the UNO until a National Salvation Agreement is reached. The FSLN is ready to seek consensus on the topics of interest of the other

negotiating parties. This agreement must be negotiated before the nation based on the following important topics: Economic Policy, Property, Strengthening of the National Assembly operation, Constitutional reforms, Law of Military Organization, and other topics of interest of the different negotiating parties.

6. The FSLN advocates the implementation of economic measures, which promote the reactivation of productive sectors, fight unemployment, and attack the sectors of extreme poverty.

7. The FSLN supports and advocates constitutional reforms that will contribute to the improved democratization of the state and political institutions of the country and will promote dialogue and negotiation as a way of government to solve the socioeconomic and political conflicts.

Within these principles, it seeks to achieve a more balanced distribution of the functions of the different state branches, to achieve more responsibility on the part of the government and all officials elected by the voters and people in general, to strengthen participative democracy and civil society organizations, and to attain the stability of the military institution within the framework of the laws.

This assembly, therefore, instructs the Sandinist faction to present as soon as possible the constitutional reform initiatives which are to be approved by the assembly.

8. We appeal to all the active forces of the country, particularly the Sandinists, who from their positions can contribute to seeking civic solutions to the current crisis. We will remain politically mobilized and avoid falling into provocations that generate violence and will worsen the country's delicate situation.

9. The Sandinist Assembly remains permanently in session so as to keep abreast of the national situation, to discuss the bases of the National Salvation Agreement and debate calling an extraordinary session of the congress of the Sandinist Front.

Free Fatherland or Death!

Issued in El Crucero on 21 August 1993

Communique Announces Release of Hostages in Managua

PA2308201493 Managua Radio Ya in Spanish 1922 GMT 23 Aug 93

[Communique read by Dr. Vilma Nunez de Escorcia, president of the Nicaraguan Human Rights Center, in Managua following a meeting between the Dignity and Sovereignty Command and a human rights commission headed by Nunez and former Sandinist leader Miguel d'Escoto—live]

[Text] At 1410 on 23 August, the members of the Dignity and Sovereignty Command, who are at the office of the National Opposition Union in Managua, are releasing Mr. Humberto Dona, Mr. Eliseo Emilio Hernandez, and Dr. Roberto Moreira to the Nicaraguan Human Rights Center, which represents the Managua Commission, for humanitarian reasons. They were received by Dr. Vilma Nunez de Escorcia and Reverend Miguel d'Escoto as members of the commission.

Sandinist Commando Releases Hostage

PA2408021493 Managua Radio Ya in Spanish 0055 GMT 24 Aug 93

[Statement issued by the Sovereignty and Dignity Commando and the Mediation Commission attesting to the release of hostage Dr. Miriam Arguello at the UNO headquarters in Managua; read by Dr. Duilio Baltodano—live]

[Text] It is hereby declared that the Sovereignty and Dignity Commando has released Dr. Miriam Arguello, who had been held hostage since the commando broke into the National Opposition Unity [UNO] headquarters building on 20 August. This act of humanity, to help the disarmament and pacification process, is the result of the negotiations conducted by former President Daniel Ortega, a member of the mediation commission.

[Issued] Managua, 23 August 1993.

[Signed] The Sovereignty and Dignity Commando, Commander Daniel Ortega, Duilio Baltodano, and Miguel d'Escoto Brockman.

Front Releases Two Hostages

PA2408032693 Managua Radio Ya in Spanish 0235 GMT 24 Aug 93

[Text] Just as 3-80 Northern Front Commander El Chacal [Jose Angel Talavera] announced this afternoon, two hostages were released at 2000 this evening [0200 GMT on 24 August]. They are Carlos Saez, a former member of the Sandinist People's Army [EPS], and Gustavo Herrera, a former Nicaraguan resistance member. Herrera is from Jinotega. Both were released at 2000 tonight to the CIAV-OAS [International Commission of Support and Verification], which transferred them to Quilali.

According to El Chacal, these two persons were freed as a goodwill gesture. When he released them he read a communique where he denounced the deployment of EPS soldiers to (San Porrita), La Cruz, (Torre Las Meridas), and (La Reforma). He said that this will hinder talks.

So far, however, we do not have confirmation on whether the Army is really deploying in those areas. In the communique, the 3-80 Northern Front calls on the government to conform to the demands and confirms that they have nothing to do with the hostage situation in Managua. Another candidate to be released was Dr.

Nora Arguello, an official with the Social Action Ministry; however, at the last minute only the two people mentioned were freed.

Recontras Seize Town, Seek To Kidnap Officials

PA2308173493 Managua Radio Ya in Spanish 1645 GMT 23 Aug 93

[Report by Chico Flores from Matagalpa]

[Text] The situation is very tense in Paiwas. The situation is very tense in Paiwas, Paiwas Municipality, 300 km southeast [as heard] of Managua. Since 22 August, approximately 80 heavily-armed men, who are led by recontra leader Aguila Negra, have maintained a siege on Paiwas, where they hope to take hostage high-ranking government officials in that town.

Among those people the recontras are seeking to kidnap are Mayor Anselmo Taleno and Deputy Mayor Salomon Jarquin, as well as the judge, police chief, and Sandinist People's Army chief in the area. They want to kidnap these officials to exchange them for a large sum of money. The situation became tense on the morning of 23 August, after Paiwas residents heard powerful explosions a few kilometers from the city.

Thieves Responsible for Shooting Along Highway

PA2408050793 Managua Radio Ya in Spanish 0409 GMT 24 Aug 93

[Report by Omar Garcia from National Opposition Union (UNO) headquarters in Managua—live]

[Excerpt] [Passage omitted] We are also aware of the events along the southern highway. It was reported that the incident was a holdup by common criminals, whom the police have already arrested. The incident has nothing to do with the ongoing events here. We would like to make this clear, as we are trying to report as much as possible in Managua and Esteli. Again, what happened along the highway to Masaya was an exchange of gunfire but just by common criminals, who have nothing to do with movements of armed groups or the sort. [passage omitted]

Argentina

Interior Minister Gustavo Beliz Resigns

PY2308235393 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2250 GMT 23 Aug 93

[Text] Buenos Aires, 23 Aug (NA)—President Carlos Menem today accepted the resignation of Interior Minister Gustavo Beliz who precipitated events last weekend when he spoke of the "side maneuvers" by "mediocre gossipers" within the inner circle of the national government who seek to promote the constitutional reform.

Beliz' resignation was inevitable given the great reaction generated against him among the ruling party, especially from Eduardo Menem, the president of the National PJ [Justicialist Party] Council and of the Senate.

Following a busy day, which included meetings between Beliz and Menem, Beliz and [Secretary of the Presidency] Bauza, [Economy Minister] Domingo Cavallo and Bauza, [Education Minister] Jorge Rodriguez, [Health Minister] Alberto Mazza, [Labor Minister] Enrique Rodriguez, and [Foreign Minister] Guido Di Tella, the resignation of the interior minister was officially announced by Menem.

Once the resignation was made public, rumors of possible replacements began to circulate. Among those mentioned were Eduardo Bauza—later to be denied by the General Secretariat of the Presidency—Carlos Corach [Legal and Technical secretary of the Presidency], [presidential adviser] Juan Bautista Yofre, and [PJ Senator] Antonio Cafiero.

According to Government House sources, Gustavo Beliz tendered his resignation to President Menem on 18 August for three reasons:

First, because he felt "left out" of the management of the PJ election campaign; second, because he felt "bypassed" over preparations for a dinner for the president and the bishops [Cardinals Primatesta and Quarracino on 10 August at the Olivos Presidential Residence]; and third, because a "trusty" of Carlos Corach, whose last name is Castro, played a decisive role in the Corrientes Province political crisis, being the one who "carried the briefcase" for Ramon Bruzzo, a Radical Civic Union electoral college member.

Beliz Disputes With Government

PY2408035993 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2324 GMT 23 Aug 93

[Text] Buenos Aires, 23 Aug (NA)—The popular expression "silence is golden" attained unexpected validity with the announcement of the resignation of Interior Minister Gustavo Beliz, hardly 24 hours after a controversial interview with him was published by a Buenos Aires daily.

Following the interview, which was published by CLARIN on 22 August and centered on the government project to reform the Constitution, Beliz said that he was not willing to "give up one inch of the institutional role" he plays in this area.

The now former minister said that "Menemists must decide whether to side with toadies and those of low quality, or with reputable government officials," among whom he mentioned Economy Minister Domingo Cavallo, Santa Fe Governor Carlos Reutemann, and Tucuman Governor Ramon "Palito" Ortega.

This was not, however, the only occasion in which Beliz managed to place himself in the eye of the storm, given that before being sworn in as interior minister he had been the center of an internal government dispute after having granted an interview to the newspaper PAGINA 12.

On that occasion the then brand-new interior minister said that he was "standing in a nest of vipers" and that he had stepped into "a mud pond dressed in white."

During that same interview Beliz also said, regarding corruption within the government, that "we are not considering forgetting everything and starting anew" although, he clarified, "no government commits hara-kiri in public."

Although on that occasion Beliz did not mention any names when speaking of "a nest of vipers," or a "mud pond," several high-ranking officials like Carlos Corach, legal and technical secretary of the presidency—who is very close to General Secretary of the Presidency Eduardo Bauza—expressed their annoyance at the statements made by Beliz to PAGINA 12.

In those days the former interior minister was also responsible for the failure of political negotiations to solve the institutional crisis in Corrientes Province following the elections for governor, which ended with the replacement of the then government trustee Claudia Bello for Ideler Tonelli.

During that first storm Beliz had to face at the beginning of the year, he was also accused of favoring a polling company belonging to his chief adviser, Julio Aurelio, in a government bid to contract with a polling company.

On that occasion Beliz and Aurelio contradicted each other in public when they explained the presence of Aurelio in Corrientes, where intense negotiations were taking place to attempt to overcome the institutional crisis of that province.

Regarding the Corrientes crisis Beliz kept up a harsh confrontation with Bauza, given that while the interior minister had sent one of his subordinates to negotiate the gubernatorial elections, Bauza ordered the "bribing" of a Radical Civic Union electoral college member.

As for the recent CLARIN interview, Beliz' reference to the "internal struggle" in the party over the executive branch approach to reform the Constitution, and approve the reelection of the president, did not go unnoticed by the government.

Beliz said that "a certain sidelines operator is crazy if he thinks the constitutional reform will be approved by buying votes," and he added: "Any negotiations carried out under the table, or any unclear methodology or maneuver, jeopardizes the constitutional reform."

"In this manner, not only will the possibility of reforming the Constitution be frustrated, but a crisis with unforeseeable consequences will also created," Beliz stated.

"I think that some people, in order to hide their political inefficiency, may want to seem more Menemists that Menem, and propose the constitutional reform at any price. I am not speaking only of ethics but of great inefficiency as politicians," Beliz said.

In some of the most outstanding paragraphs of the interview, the former interior minister also insisted on the need for the government and the opposition to reach an agreement to amend the constitution. Beliz maintains that the constitutional reform "cannot be done at any price, following an anything goes logic."

New Interior Minister Appointed

PY2408040193 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0338 GMT 24 Aug 93

[Text] Buenos Aires, 23 Aug (NOTICIAS ARGENTINAS)—President Carlos Menem today appointed Carlos Ruckauf as the new interior minister, replacing Gustavo Beliz. Ruckauf said tonight at the Olivos presidential residence that he "was honored" to accept the mission that the chief of state had entrusted to him.

Ministry Official on Nicaragua, UN Troops

PY2408005393 Buenos Aires BUENOS AIRES HERALD in English 23 Aug 93 p 7

[Text] (DYN)—Foreign Ministry second-in-command Fernando Petrella said yesterday that Argentine Ambassador to Nicaragua Gerardo Britos had offered to help, if necessary, in any mediation to solve the serious hostage crisis there.

Petrella went on to note, in conversation with Radio America, "Argentina has a great friendship with Nicaragua, one of the countries with which we have many cultural ties."

Petrella also commented on the proposal to send Argentine troops to Cyprus in line with a request from the United Nations, saying that 150 men of an advance party were going and that later the number would be increased to 350.

He said that Argentina had always taken a neutral position in world affairs but that the UN as well as the leading powers had asked Argentina to take part, together with other international forces, to preserve the peace in various parts of the world.

The diplomat went on to say that he had been invited to visit the UK to continue conversations on the fishing agreement in the South Atlantic to see "if we can make the agreement a little more definite." He said he would also discuss the search for oil, communications, and military matters. He also said that Argentina would probably put forward the idea of a new agreement to cover fishing and conservation in the South Georgias [as published] with the Antartic Maritime Resources Commission.

Petrella Downplays U.S. Ambassador's Statement

PY2308203193 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1622 GMT 22 Aug 93

[Text] Buenos Aires, 22 Aug (NA)—Deputy Foreign Minister Fernando Petrella has attributed U.S. Ambassador James Cheek's statement about the lack of legal security of Argentine courts to "the pressure of buses and street noise."

Petrella said: "The U.S. Ambassador made this statement out on the street where he was subjected to street noise and buses. That is not the best place to comment on a doctrine."

Petrella said: "The ambassador was influenced by a commentary by a U.S. company," adding that he is unaware of the name of this multinational company.

The deputy foreign minister told a radio station that "quite clearly" any "supposition that the Argentine juridical system lacks legal security is unacceptable."

He said: "It would imply that every company that became established in Argentine did so overlooking such an important issue."

Petrella explained that the Foreign Ministry summoned Cheek, "made some comments on the issue, and everything was completely cleared up."

He added: "We must realize that in the Argentina of today, which is inserted in the world, this kind of situation can arise, particularly when a foreign official refers to a sensitive subject like this."

Petrella made a recommendation to foreign diplomats: He said that when they comment on "sensitive" issues, they do so "at the proper time and place so that these comments are not misinterpreted."

'Pressures' To Prevent Argentine Rearmament

PY2308224793 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1515 GMT 23 Aug 93

[Text] Buenos Aires, 23 Aug (NA)—Defense Minister Oscar Camilion admitted today that "The United Kingdom is pressuring the United States" to prevent Argentina from acquiring 36 Skyhawk aircraft equipped with highly-sophisticated weapons and communications equipment.

Camilion thus referred to "suggestions by the United States and the United Kingdom" to thwart the rearmament of the Argentine Armed Forces which were weakened by the 1982 armed conflict with Great Britain in the South Atlantic.

In remarks to Radio Mitre, the defense minister added: "In conclusion, the United States will decide if this sort of technology will be made available to Argentina, and thus whether we will have try to obtain it elsewhere."

Camilion thus admitted that Great Britain is pressuring the United States to prevent the sale of 36 Skyhawk aircraft equipped with the penultimate word in tactical radar manufactured by Westinghouse.

If the United States fails to provide the planes fitted with this kind of radar, the deal could be suspended. This $230 million deal has been negotiated by the two parties for one year and a half.

Camilion explained that the purchase of the Skyhawks is not directly related to an attempt to sell the United States the Pampa plane which the Argentine Air Force, in association with a U.S. company, is trying to sell there through a public bid.

Great Britain is reportedly pressuring its main North Atlantic Treaty Organization (NATO) partner to prevent Argentina from winning the bid to supply 700 training planes for the U.S. Air Force and Naval Aviation.

That multimillion dollar contract would prompt the reactivation of the Cordoba military airplane factory and would be a source of income for the modernization of the Air Force.

Camilion added that Argentina is financing the United Nations through peace operations abroad because "advanced expenditures are always made."

The defense minister described the situation of the Argentine troops involved in peace missions abroad, "which will also affect those who will soon leave for Cyprus."

He said that the financing of these operations "cannot be considered an expenditure, more an investment in foreign policy to show that Argentina is interested in the world peace process."

He added that through these operations "not only will our foreign policy be strengthened," the Armed Forces will also benefit because this experience enables "sectors that have had no opportunity to see what is happening abroad and achieve a fresh mental attitude."

Former Air Force Chief: Condor-2 Can Be Reactivated

PY2308162593 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1311 GMT 23 Aug 93

[Text] Buenos Aires, 3 Aug (NA)—Former Air Force Chief of Staff, retired Brigadier General Jose Antonio Julia, has said that "if the government decides it," the frustrated Condor-2 missile program, which was designed at the Cordoba plant in Falda del Carmen, could "be reactivated, or there could be a Condor 3, 4, or 5 in the future."

He added that despite the fact that project parts were delivered to the United States via Spain, "the intelligence and the know-how remained in Argentina, and they are the best method for reopening it."

Julia said the objective of Condor-2 was to obtain "the knowledge for building a specific type of vector," adding that the project was developed mainly by Commodore Miguel Guerrero.

"The truth is that a great story has been made about the Condor-2, and it isn't actually important to have a Condor now. Now, if I am asked whether there is a hidden missile, I assure people there isn't any," he emphasized.

He made it clear that the Air Force delivered "all the remains" of the Condor-2 to the National Space Activities Commission, "thus ending its responsibility." Julia said "there must have been political reasons" that led to the dismantling of the project, and that the Air force "obeyed that order."

In statements to the newspaper EL CRONISTA, Julia said that "the exact amount that was spent on Condor-2 remains unknown," although he estimated that "the amount could be close" to $300 million.

"I know there are large facilities, and in the future they might turn into a jail or a bunker for alternative purposes, but I don't think the installations inside can be used for any other purpose," the former military chief said.

He added that in the country "there isn't a very clear concept of national defense," claiming that "defense is mistaken for security. On the one hand, the possibility of involvement in conflicts abroad is being considered, despite the fact that the Armed Forces' raison d'etre is the defense of the nation. To think about this possibility is fine, because it is necessary to paticipate in the United Nations, but national defense is the main objective," he noted.

Census Reveals Poverty Levels in Buenos Aires

PY2408004993 Buenos Aires BUENOS AIRES HERALD in English 23 Aug 93 pp 1, 7

[All figures as published]

[Text] (DYN-NA)—Approximately 23 percent of Greater Buenos Aires area families live in makeshift houses or lack essential services, according to official figures of the 1991 census issued yesterday.

A total of 1.7 percent of those families live as squatters in the Greater Buenos Aires area.

The situation in the area, however, varies according to each district surveyed by the INDEC [National Institute of Statistics and Census] statistics bureau.

In Vicente Lopez, less than four of every 100 families live in makeshift homes, less than five in 1,000 live in doss-houses and six out of every thousand are forced to live as squatters.

But in Florencio Varela 58 percent of the district's families live in a house which lacks some sort of basic service. In

Avellaneda, 23 out of 1,000 families live in cheap lodging houses. In Lomas de Zamora 17 out 1,000 live as squatters.

Sewage and the distribution of drinking water through pipelines are one of the most significant deficits in the area.

Both services only reach 28.33 percent of Greater Buenos Aires area homes. Vicente Lopez, Tres de Febrero and Quilmes are the towns with the highest rate of drinking and sewage services in homes, while in General Sarmiento only 54 out of every 1,000 houses are provided with running water and are hooked up to a sewage network.

More than 85 percent of General Sarmiento homes lack both services.

Only 58.3 percent of Greater Buenos Aires area homes have drinking water, a rate that is higher only than that of Misiones province, where 1.7 percent of residents have safe water in their homes. In La Matanza 43 percent of the district's houses have running water. In eight of the 19 districts one out of every three residents lacks drinking water pipelines. Only Avellaneda, Quilmes, Lanus and Vicente Lopez provide safe water for nine out of 10 residents.

The INDEC also reported that the figures of the 1991 census show that 2.2 million Greater Buenos Aires area residents over the age of three attend schools. Seventy percent of those 2.2 million people who were surveyed as attending schools go to state-run intitutions, while 30 percent get their education from private schools.

Approximately two percent of children older that 10 in the area have never attended schools in the Greater Buenos Aires area. Vicente Lopez and San Isidro are the only two districts where more than half of those attending school study at private institutions.

In Esteban Echéverria and Florencio Varela one of every five pay for their education, a figure similar to those of provinces including Entre Rios, Tucuman and the rest of the Buenos Aires province. While low for the province the figure is nonetheless higher than those of some other sections of the country.

Finally, the percentage of children older than 10 who have never attended schools is at its highest in Florencio Varela (2.56 percent), Moreno (2.50 percent) and General Sarmiento (2.37 percent).

Bishops Seek End to 'All Corrupt Practices'

PY2408014293 Buenos Aires CLARIN in Spanish 13 Aug 93 p 20,21

[Text] The Catholic Church made a call for "a fight against all corrupt practices" at the end of a three-day bishops' leadership conference that included meetings between members of the Pastoral team with government officials and labor leaders.

The Social Pastoral report on its meeting with Economy Minister Domingo Cavallo and Labor Minister Enrique Rodriguez points out that the bishops stressed "the heavy social cost" and the "deep impoverishment" of the middle class, issues that provoked some controversy.

The official communique that the church disseminated yesterday mentions the critical Social Pastoral report but chooses to stay away from the political arena, pointing out: "We should not, and do not, want to invade temporal levels more appropriate to secular institutions."

The communique was delivered to the press by Monsignor Estanislao Karlic, the Episcopal Conference first vice president, who did not answer any questions from the numerous journalists who attended the news conference at the end of the meeting which is usually headed by Cardinal Antonio Quarracino, head of the bishops' conference.

The bishops pointed out that even though the main mission of the church is spiritual, it is appropriate "to show interest" in other topics. The document says: "An authentic internal change affects all aspects of life." The bishops add: This means that "those who walk strait in front of God seek justice and union, defend the family and a dignified life, fight all kinds of corrupt practices, and exercise the virtues that help build the nation."

The communique includes a variety of conciliatory messages compared to the impact the Social Pastoral report caused when it was released to the media. The final paragraph refers to "the responsibility of reporters, who have the very important mission of correctly relaying the truth to society, which has the right to objective reporting."

Karlic held the news conference with Rio Cuarto Emeritus Bishop Arsenio Arana, who restricted himself to reporting on the 1994 celebration of the International Family Year. The bishops approved a directory for the Family Pastoral. This is a guide for priests, church people, and layman who work on the issue.

The prelates lowered the tone of their message in view of repercussions during the week to the severe warning issued by the Social Pastoral on stability. The report of that commission, headed by San Juan Archbishop Italo Di Stefano was dictated on 10 August, one day after the bishops met with Economy Minister Domingo Cavallo and Labor Minister Enrique Rodriguez.

The bishops were expected to analyze the issue of constitutional reform from the Catholic Church perspective. This issue, which is the responsibility of a commission presided over by the Archbishop of Cordoba Cardinal Raul Primatesta, is still receiving information and specialist opinions.

The final communique does not confirm whether the bishops had time to study the constitutional reform issue. The matter, however, was discussed over dinner by President Carlos Menem and Cardinals Primatesta and Quarracino at the Olivos presidential residence on 10 August. The president told the prelates that the government will organize a plebiscite on constitutional reform 45 days after the 3 October election.

During their leadership conference, the bishops analyzed the conclusions of last month's meeting entitled: "The Church Looks at the New Reality," at which all social groups where represented. The document says that this meeting "confirms the Church's interest in knowing the real situation of individuals and the society to which it addresses its evangelical message."

The document says that bishops "listened to the Episcopal Commission of Social Pastoral's report, which has already been released to the press, with similar interest."

Brazil

Army Minister on Problems in Border Area

PY2308152593 Rio de Janeiro O GLOBO in Portuguese 19 Aug 93 p 7

[Text] Brasilia—Army Minister Zenildo Lucena yesterday said Brazil does not have border problems with other countries in its northern region, but he admitted that there are problems in the area. For this reason, military maneuvers are being staged in Amazonas and Amapa. Lucena said the maneuvers had already been scheduled.

"We do not have border problems but problems near the border," the minister said. He explained that Brazilian and Venezuelan military men are meeting in Guri, Venezuela, to address the problems in the border area.

The Navy and the Air Force are currently staging maneuvers in the Amazonas region. Some 300 marines from Amazonas, Para, and Rio de Janeiro are participating in a simulated antiguerrilla exercise in Manacapuru.

On Tuesday, the Air Force began an operation known by the name of "FPD (Rapid Defense Multiple Force) 393," with the participation of squads from Natal (Rio Grande Do Norte), Belem (Para), and Campo Grande (Mato Grosso do Sul). The operation, which will end in Oiapoque next week, is being performed by 208 men and 12 planes.

Zenildo Lucena yesterday declined to talk about the possibility of creating a border strip, a thesis that was advocated by Strategic Affairs Secretary Mario Flores. General Gilberto Serpa, the Army Communications Department chief, has said the strip is provided for by the Constitution.

Lucena said he might invite other countries to join the "Surumu" operation, which Brazil will carry out in the first half of October in Roraima, along the Venezuelan border. Some 5,000 Army and Air Force men, with Navy support, will participate in the exercise, which will be one of the most important Armed Forces exercises ever held in the Amazonas. The minister said the operation has nothing to do with the presence of U.S. troops in Guyana.

"The Americans are our friends," he said.

Franco 'Convinced' Aparecido Not Able To Be Sworn In

PY2308152793 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 23 Aug 93

[Text] During his meeting with Foreign Minister Jose Aparecido de Oliveira in Belo Horizonte over the weekend, President Itamar Franco was convinced that Aparecido will not be able to assume office as foreign minister. The latter gave the president a medical certificate signed by cardiologist (Radi Macruz), who advised the minister not to engage in any political activities for at least six months.

Franco has not yet decided who will replace Aparecido at Itamaraty.

Indian Conflicts Blamed on 'Foreign Interest'

PY2308205593 Sao Paulo FOLHA DE SAO PAULO in Portuguese 20 Aug 93 Section 1 p 11

[Article by Emanuel Neri and Americo Martins]

[Text] The Roraima Government has blamed the conflicts with Indians on foreign interest in the "valuable mineral deposits" in the state and on the activities of the "so-called progressive" clergy. This opinion is expressed in a document that Governor Ottomar de Sousa Pinto delivered to Justice Minister Mauricio Correa in June. The document states: "Roraima urgently wants to end the paranoia over indigenous peoples."

"Almost two centuries ago, ranchers and Indians lived in harmony and peace and there was fraternal coexistence between ranches and Indian communities," the document adds. "Following investigations by Radam [Amazonas radar] and by U.S. satellites, which detected valuable mineral deposits in Roraima, conflicts emerged involving the so-called progressive clergy, led by the Roraima Diocese," the document notes.

The Roraima governor says that based on those two factors, Indians began demanding "more land, and increasingly bigger areas" of the state territory. He said that, with the exception of the Ianomamis, the indigenous peoples, whose land will be subjected to demarcation, have already adopted civilized cultural patterns. The document notes that the state measures 230,000 sq km. Under the new demarcation of Indian lands, just 68,000 sq km will be allocated to the local population.

Pinto says that if 36,000 sq km are assigned to the Macuxi and the Wapixana in Raposa and Serra do Sol, in northern Roraima, Indian areas will cover 126,000 sq km. Of this, 90,000 sq km are allocated for the Ianomamis. He notes that just 68,000 sq km will be left for the 280,000 state inhabitants and 250,000 head of cattle. These figures do not include forest areas which cannot be used for agriculture or cattle breeding.

The local government says it agrees with the demarcation of Indian lands in isolated areas, making "islands" around Indian communities. The government disagrees with the

so-called "continuous areas" of demarcation, which covers large territories. This has been advocated by Funai [National Indian Foundation] and by the Church. "Roraima demands respect for its autonomy and repudiates the attitude of revenge by Funai and its sectarian anthropologists," the document states.

Erci de Moraes, the Roraima government civil household chief, said yesterday that the local government disagrees with current demarcation of Ianomami lands, and that it will strive to reduce it under the new Constitution. He said that the demarcation of 90,000 sq km for the Ianomamis has created an "enclave between Brazil and Venezuela." Moraes said the federal government has no structural ability to manage the region and this resulted in the creation of the "Ianomami nation."

"This situation jeopardizes Brazil's security," Moraes said, adding that the government of Roraima is "concerned" about repercussions to reports of a massacre of Ianomamis. He fears that a political "maneuver" might be underway, which might be used by those who advocate the "internationalization" of the Amazonas. "The Calha Norte project (military occupation of the border) might be the wisest solution," he said.

The Roraima governor was not in Boa Vista yesterday. Boa Vista Bishop Aldo Mongiano was sought by Folha yesterday but could not be found. The bishop's office reported he was travelling and that he would be back at 2230.

Chile

Editorial on 'Unfortunate' U.S. Grape Case Ruling

PY2308223393 Santiago EL MERCURIO in Spanish 4 Aug 93 p A3

[Editorial: "Refusal To Resort to Bryan Treaty"]

[Text] The U.S. refusal to grant Chile's request to resort to the Bryan-Suarez Mujica Treaty to settle the issue of compensation for the 1989 U.S. embargo on Chilean fruit has been met with unanimous criticism. Everyone, from the president of the Republic to the opposition, shares the view that the U.S. Department of State's response is regrettable. What is more, the frustration has given vent to criticism against the Foreign Ministry for having failed to negotiate the earlier U.S. request for compensation in the Letelier case with the fruit growers' demands.

What is more, others contend that instead of having asked the United States to resort to the treaty, the issue should have been tackled by invoking it unilaterally. There is more than enough reason to doubt the United States' respect for reciprocity, as every time our country has tried to enforce this treaty, under different administrations, the United States has refused to do so. These objections to the Foreign Ministry's performance do not seem substantial, and regardless of the Foreign Ministry's skill and judgement in its actions, the fact of the matter is that the U.S. answer does not respect the principle of reciprocity, seeks to unilaterally block a legitimate way to overcome a stumbling block in bilateral relations, and increases suspicion about this incident.

More than four years have elapsed since the Food and Drug Administration (FDA) obtained U.S. authorities' backing to place Chilean fruit under embargo. It has been proved that the FDA committed gross methodological errors in validating its recommendation. It was also proved that the alleged contamination of two grapes with cyanide was made neither in Chile nor in unloading the fruit. It is therefore unfounded to argue that this attack placed consumers' health in jeopardy. Finally, losses were assessed, and had it not been for timely negotiations, which enabled the embargo to be raised after only three days, these losses could have been devastating.

There is enough proof to support the assertion that the measure was arbitrary, exaggerated, and caused losses amounting to more than $300 million, which must be compensated. This has been asserted in a timely and correct manner to the FDA itself, to the U.S. Congress General Accounting Office, to the Pennsylvania state courts, and to the federal executive branch. Requests to the three constitutional powers have received excuses, refusals, or even judges' disqualifying themselves, arguing the immunity of sovereign actions.

The public have been following this demand with interest, which is supported by the president of the Republic, by congressmen, unions, and especially by the associations of exporters and producers. At this point it is appropriate to wait for the decisions of the bilateral working group, which was agreed to by the two governments when the rejection of the Chilean request for implementation of the Bryan-Suarez Mujica Treaty was announced. The appropriate communique states that "the group will fully analyze the two governments' positions on the events related to the temporary suspension of fruit imports in 1989, and will consider an analysis of future cooperation in a constructive manner." If the said group does not reach an acceptable agreement for the two parties, we should insist upon the implementation of international law.

Good relations among states must be effective, and must try to offset the differences that might emerge in the sphere of international coexistence. Moreover, two nations sharing the principles of democracy and of law, and whose development is based on international trade, cannot continue delaying this conflict. The delay in meeting the national requests simply increases the distrust which this unfortunate episode has caused.

Colombia

* Congress To Begin Discussing 1994 Budget

93SM0387A Santa Fe de Bogota EL TIEMPO in Spanish 26 Jul 93 p 1B

[Article by Jaime Mejia Mazuera and Jacquelin Guevara Gil: "Budget Battle Begins"]

[Text] This week begins one of the most heated debates that the Congress of the Republic holds every year: deciding on the spending and investment that the government can undertake on the basis of its revenues and borrowing capacity.

This time the debate will revolve around the far from negligible amount of 14.4 trillion pesos, which would be enough to pay off the country's entire foreign debt of $17.5 million.

The comprehensive budget proposal for 1994 was officially submitted last week, and the 80 legislators on the third and fourth committees of Congress will soon begin looking into the bill.

The program of government expenditures and revenues places emphasis on social matters, justice, and security. The spending on education, health care, housing, the justice system, and the Armed Forces next year is higher in real terms, in some cases by more than 90 percent.

But have gains been made in the resources to improve the quality of life of Colombians? Will the country post a bigger budget deficit? EL TIEMPO tries to answer these and other questions in the following seven key points about the budget.

1. The Deficit Is Up

One of the main concerns of each administration when it submits its annual budgets is the possible imbalances that public spending, if excessive, may generate. This is why very strict targets for the budget deficit are always set.

The economic authorities estimate that the 1994 budget will not generate a deficit of more than 1.5 percent of the country's total output of goods and services, the Gross Domestic Product (GDP).

This means that government spending will not exceed projected revenues by more than 800 billion pesos.

What dangers does a larger deficit entail? According to the experts, if the government overdoes its spending, it could displace the activity of the private sector, inasmuch as it absorbs a large part of the economy's resources, a situation that is not at all desirable in a country that wants to shrink the role of government in the economy.

Moreover, if the government makes too many expenditure obligations, it will have to find some way to finance them. Foreign or domestic borrowing is commonly resorted to. More overseas borrowing increases foreign-exchange inflows, and this could push the value of the dollar down, that is to say, revalue the peso. And domestic borrowing could put pressure on interest rates. For the time being, the authorities estimate that a deficit of 1.5 percent of GDP is manageable.

2. A "Small" Budget

The central government's spending is relatively light in comparison to the size of the economy. According to Finance Ministry figures, government spending in 1994 is equivalent to 14.6 percent of the GDP.

Although this level of spending is more or less average for Latin America, it is far below that of the industrialized countries. The central governments in Canada, the United States, and Germany spend between 20 and 35 percent of GDP on government operations and investment.

Logically, these numbers may reflect somewhat bloated public sectors, but they also explain why these countries have high standards of living, especially in terms of the social welfare and education of their citizens. In Canada, for example, where social security and education are government run, spending on these items comes to 23 percent of GDP.

Another conclusion is that the effectiveness of spending in Latin America is low. Almost all our countries devote more than seven percent of GDP to spending on education, but this is not reflected in the population's level of schooling.

In contrast, the governments in countries such as Canada, Germany, and the United States spend much less than four percent on education, and the results are obvious. Nevertheless, in the developed countries spending on schooling and research is primarily financed by the private sector.

Paying Off Debts

The government has decided to put its house in order and pay off its 1.5 trillion pesos in back debts; this accounts for 9.5 percent of the total 1994 budget.

Justice will be done to retired workers from the public sector as they will be paid 400 billion pesos in back pensions.

Of this amount 147 billion will go to pay pensions for Colpuertos [Colombian Port Enterprise] and National Railways, which have been liquidated.

Sixty billion pesos will be allocated to the Social Security Fund for 39,000 new retirees, while retired workers from the health-care sector and regional agencies will receive 40 billion. There is a similar amount for the Agricultural Credit Bank.

Thirty-one billion pesos in pending severance pay will go to military and National Police personnel, and 25 billion is being appropriated to create the Severance Pay Fund of Departmental Universities.

The Bank of the Republic will receive 700 billion pesos from the government, and the ISS [Social Security Institute] 350 billion.

4. More Money for the Military

The battle against the guerrillas and drug traffickers will be stepped up in 1994. The government will earmark more money to outfit the military, set up mobile brigades in the areas with the most fighting, and buy weapons. In all, 280 billion pesos will go to the Armed Forces.

Pay will be boosted between 50 and 60 percent next year as an incentive for the military, the National Police, the Prosecutor General's Office, and the Administrative Department of Security (DAS). This is much more than the 19-20 percent hikes ordered for other public servants.

One-hundred and forty-eight billion pesos is being appropriated for salaries in the Armed Forces, 22 billion for the Judiciary, and 33 billion for the Prosecutor General's Office. The Executive Branch pledged in 1992 to level out salaries in the Armed Forces and police.

5. Foreign Trade Projections

Colombia's exporters will see no major changes next year in exchange-rate policy.

The administration's message to Congress says that the devaluation will be similar to the one in 1993.

According to the Executive Branch, total exports will be up 15 percent, mainly because of an upswing in "traditional" exports (oil, coffee, coal, ferronickel...).

Imports are projected to increase by 17 percent, below the 31 percent estimated for this year.

Exports are expected to total $8.836 billion, and imports $9.408 billion.

International reserves will continue to expand; by the end of 1993 they will reportedly stand at $8.548 billion and could hit $10 billion in 1994.

6. Improving Health Care

For the first time in many years, workers in the health care sector will have no cause to go out on strike.

One third of total social spending (1.5 trillion) will be absorbed by health care. Some 509 billion pesos will be earmarked for the country's hospitals to purchase equipment and improve facilities. This is almost twice as much as was appropriated in this year's budget, 287 billion pesos.

Much of this funding comes from the larger transfers that will be made to the regional administrations in 1994.

The government is appropriating 303 billion pesos for the education of low-income Colombians. The money will go for school staffing and scholarships.

Next year's budget includes 220 billion pesos to improve water supply systems and the quality of the water that Colombians drink.

Low-cost housing, one of the administration's flagship programs, will receive an appropriation of 226 billion pesos to meet the goal of 500,000 housing units. The additional funding for this program will go to defray the subsidies that were not awarded during the first three years of this administration.

Culture, sports, and recreation, which were downplayed in previous budgets, will receive 60 billion pesos in funding in 1994.

Government Spending by Countries

Country	Percentage of Total Spending			Government Spending as a Percentage of GDP
	Defense	Education	Social	
Colombia	2.41	7.5	6.0	14.6
Brazil	3.5	3.1	6.7	35.1
Mexico	2.4	13.9	1.9	18.1
Ecuador	19.9	18.2	11.0	16.0
Peru	16.4	21.1	5.6	8.8
France	6.3	6.9	15.3	43.7
Canada	7.4	2.9	5.2	23.9
United States	21.6	1.7	13.8	25.3
Germany	8.3	0.6	18.1	32.5

Source: Finance Ministry, World Bank

Foreign Sector Numbers (balance of payments in millions of dollars)

Category	1992	1993	1994
1. Current account	874.9	(1,129.7)	(1,576.8)
Exports	7,375.8	7,710.0	8,836.1
Imports	6,116.7	8,012.9	9,408.2
Services	(2,040.0)	(2,036.5)	(2,100.7)
2. Capital account	333.4	1,635.4	3,046.5
3. Gross international reserves	8,042.7	8,548.4	10,018.1

Source: Finance Ministry

*** Conservatives Lament Gaviria's Liberal Bias**

*** Conservative Congress Meets**

93SM0385A Santa Fe de Bogota EL TIEMPO in Spanish 22 Jul 93 p 6A

[Article: "Gaviria Campaigning"—first paragraph is EL TIEMPO introduction]

[Text] The platform congress has drawn up the planks of the conservative platform. "I am not rejecting my party, but I do not believe in party governments," said Andres Pastrana. There was a debate among the "blue" party's potential nominees.

The Conservative Party yesterday accused President Gaviria of engaging in unusual political activism to favor the liberals' continuation in the presidency, and requested the intervention of the Attorney General's Office and of the Treasury Inspector's Office to keep the election process from "being distorted."

The conservatives' platform congress issued a statement that Gaviria is promising to make huge investments that are not listed in the national budget, and is giving "partisan slants" to issues like the petroleum bonanza, that should be handled with the national interest in mind.

"Every day the national administration displays its preference for the liberal candidate of its choice in order to ensure continuity in its policies," says the statement adopted by about 1,300 persons attending the session at the Convention Center.

"Feeding official propaganda to communications media allied to the government party and unconditionally supportive of it regarding huge spending projects that have not been authorized and for which no resources have been allocated—according to the Constitution, all spending projects must have such authorization—is scandalous behavior in a pluralistic democracy," the statement added.

This statement, one of the substantive documents, took a strong opposition position.

The forum also served as a first trial run inside the party for the ideas of the conservative presidential hopefuls.

Andres Pastrana, who according to the polls has the strongest support of these potential candidates, sent a message stating that although he has never denied his party allegiance, he does not believe in partisan government formulas that have in the past only generated uncertainty in the nation.

"Party governments have no support in the minds of the people," said his message, read by Senator Eduardo Pizano after presidential hopefuls Roberto Gerlein and Juan Diego Jaramillo expressed criticism of Pastrana's attitude that, in their view, is a negation of conservative doctrine.

This is how Pastrana summarized his position on the "suprapartisan" formula he advocates: "Politics must be conducted with intelligence and determination and not in the heat of passion. A majority must be sought, not to exclude minorities, but as an instrument to create a broad consensus."

Without Concealment

Juan Diego Jaramillo criticized that formula. He said it is the result of a complex that conservatism, which now considers itself a permanent and inevitable minority, has acquired.

"Conservatism," he said, "has been creating personal movements, temporary movements, and unorthodox movements that seek to mislead the nation about conservative identity, to see if the liberals and socialists will vote for us without realizing we are conservatives."

Roberto Gerlein called for purifying conservative ideology to return to the sources that inspired it; anything else will be a step backward.

Former Minister Rodrigo Llorente, another potential candidate, said the presidential campaign should be a debate of ideas and proposals and not a matter of image. Llorente circulated a document saying that "the process of concealment and oversimplification" some candidates have used has created a vacuum of opinion, as people do not know the programs of the presidential candidates.

The platform congress took no preliminary position on candidates; it felt this issue should be debated at the national convention in November, the only forum with the legal standing to make such a decision.

The platform meeting, considered the major preliminary to the convention, defined the planks of the platform that the single presidential candidate will have to defend. In this document, the group pledged to combat poverty on the basis of private property (see section entitled "The Battle Plan").

In this preliminary trial run of ideas, the two sections of the party leadership pledged unity. Appeals for unity were predominant features of the statements made by Alvaro Villegas Moreno and Jaime Arias, the presidents of these movements. Former Presidents Misael Pastrana and Belisario Betancur sent messages in which they called for a search for union around a solid program with the capacity to generate a consensus. "The program should not try to include everything for everyone. That would dilute the primary issue, which is to offer our people clarity and strength in an appealing program (....) We need to attract people around the broadest consensus," says part of Pastrana's message.

The Battle Plan

The conservative forum defined six points for the government program that will be submitted to public scrutiny during the election debate. In essence, these points are:

- 1. Strengthening the government's legitimacy through the people's participation in making national, regional, and local decisions. Strengthening municipal, departmental, and regional governments

through a careful and rational decentralizing process.

- 2. A "preferential option" for the antipoverty campaign. The state will promote the democratization of private property, so that access to private property may be truly and effectively universalized.
- 3. Creation of a moral authority that will close those loopholes that allow corruption.
- 4. Creation of a new legal order that will ensure security in social and economic relations. Promotion of judicial officials.
- 5. A gradual process of economic liberalization and internationalization of the economy in a selective and coordinated manner.
- 6. Priority to be given to social investment and social preservation tasks as part of economic growth.

A number of those attending supported a proposal by Representative Jaime Arias to promote a constitutional reform that will give a permanency to the institution of the Treasury Inspector's Office. That official would be appointed by the Council of State from a list of potential nominees submitted by the Attorney General.

* Villegas Denies Accusations

93SM0385B Santa Fe de Bogota EL TIEMPO in Spanish 24 Jul 93 p 6A

[Article: "These Are Crazy Accusations"]

[Text] Minister of Government Fabio Villegas Ramirez called the charges made at the conservatives' recent platform congress to the effect that the Pereira viaduct may have been built to benefit President Gaviria's family "crazy and absurd."

Villegas said a charge of this nature does not merit a response, among other reasons because it lacks logic and substance. He also criticized a statement approved during that session that the chief of state is exercising unusual political activism designed to favor the interests of the "liberal candidate of his choice."

That statement, which even appeared in paid notices in the press, does not state who that candidate might be.

The minister said the president was not engaging in partisan politics but defending his administration's work. "That is legitimate. And it is his obligation to show the nation the results of his work."

According to the conservatives' platform congress, the president has been announcing huge investments that allegedly are not contained in the budget.

"I do not know to what type of investments they are referring. If they had made that clear, I would certainly have been able to analyze the status of such investments in the budget," commented Villegas.

"The president," he added, "is careful and does not generate false expectations. His conduct in that regard has not changed."

"Lukewarm Statement"

The position taken in the forum does not enjoy full support within the conservative movement.

For example, presidential hopeful Rodrigo Marin Bernal—the only potential conservative candidate who did not attend or send messages—said this is a lukewarm and shallow document.

He said that the statement "fails to consider the ethics charges that a number of conservative citizens have been formulating."

In addition, he said it goes overboard when it speaks of a supposed political campaigning on the part of the president who, in his opinion, is "abnormally normal."

"Our observations and criticisms are not based on that, but on the president's silence concerning his siblings' financial and professional activities," he said.

He also said that so long as his party does not take a clear stance in relation to the government, he will not feel bound to the policy that the leaders of its factions may promote.

"Nationalist Campaign"

The liberal members of Congress rejected the conservative charges.

Dario Londono, vice president of the Senate, issued a statement saying that President Gaviria "is campaigning, all the while he is telling the country that he is doing what he promised to do when he was a candidate."

He said that as the conservatives have not governed the country for many years, they cannot distinguish between an election campaign and the exercise of the presidency.

Senator Jose Renan Trujillo said President Gaviria's detractors are concerned that his administration is "a historic government serving the nation."

"It is one thing to be on a political campaign and another quite different matter to be on a national campaign," he said.

What About the Conservative Ministers?

In light of the conservatives' strong position against the government, EL TIEMPO asked members of the two wings of conservatism under what conditions the conservatives representing that party would remain in the administration.

Both agreed that conservatism as such has no representation in the cabinet.

Jaime Calderon Brugues, secretary of the social conservative leadership, said that the ministers of labor and development "are of conservative origin, but they represent the New Democratic Force and not the party."

Minister of Foreign Affairs Noemi Sanin is considered "independent," and so does not officially represent the party.

"The accusation," he insisted, "is against the president, not the ministers."

When asked to be more specific about the charges, he said: "In general terms, the government has been going about the country offering heaven and earth, and it has given a partisan slant to things that, like the so-called petroleum bonanza, are attributable to nature. If petroleum were the work of the government, the people should remember that the first association contracts were awarded during the Pastrana administration, and thanks to those contracts, the value of the petroleum dollar was adjusted. This meant that in later years petroleum extraction could be increased."

* SAC Withdrawal From Commission Supported

93SM0372A Santa Fe de Bogota EL TIEMPO in Spanish 14 Jul 93 p 2B

[Text] *Production guilds view agriculture as the sector hardest hit by the opening. Urgent solutions are needed to ensure the revival of this branch of the economy.*

For the first time, nonagricultural organizations such as those uniting manufacturers, merchants, bankers, insurance carriers, exporters, and transporters have asked the government to demonstrate the political will to solve the farm crisis.

In a joint press release issued by the National Union Council, the presidents of 13 unions expressed their concern over the circumstances leading to the withdrawal of the Association of Colombian Farmers (SAC) from the High-Level Commission for the Agricultural Sector.

The latter was set up almost two months ago at the prompting of SAC itself, a move accepted by President Cesar Gaviria.

Nevertheless, the union decided to withdraw as a result of what it labeled the government's indifference. With the exception of the minister of agriculture, some ministers on the economic team did not attend any of the commission's meetings.

SAC had also urged the government to have the commission define once and for all what the agricultural sector's place would be in the economic opening, but received no response.

The National Union Council said it shares the opinion of President Gaviria as expressed at the commission's installation ceremony that agriculture is the sector that has suffered the most due to the opening.

Nevertheless, concerned about the withdrawal of the SAC, the Union Council notes that the accelerated deterioration of the farming sector must be halted without delay "if we intend to strengthen the new model of development within a framework of peace and equity."

Due to the high levels of poverty in many rural regions and the resulting violence, the council emphasizes that the situation in agriculture must be remedied immediately and asks for the adoption of measures enabling it to grow in the future.

Council's Proposals

According to the Union Council, overcoming the crisis requires effective measures in many areas so as to provide all-encompassing solutions to the distortions that have occurred.

The problems include the following: excessive subsidies and protection for industrialized countries, unbalanced agricultural and agroindustrial competition in the various areas of integration without coordinated sectorial policies, a backward infrastructure, and a poverty-stricken peasantry.

According to the council, obstacles must be overcome relating to the transfer of technology, high costs generated by obsolete marketing and storage channels, environmental deterioration, and finally, the lag in modernizing governmental agricultural agencies with respect to the decentralization and modernization of the public sector.

The National Union Council recognizes that the government has begun to adopt corrective measures in several of these areas and that it has waged a fight against crime.

"Nevertheless," the council states, "it will be difficult to find stable, structural solutions that will promote the development of the Colombian agricultural sector if we do not work within a framework of unity and have the resolute support of the government as a whole."

The bulletin is signed by the presidents of the following unions: Carlos Arturo Angel Arango, ANDI [National Association of Industrialists]; German Bula Escobar, ACOPI [Colombian Association of Small Industries]; Sabas Pretelt de la Vega, FENALCO [National Federation of Businessmen]; Carlos Alberto Garay, ACOPLASTICOS [Colombian Association of Small Industries]; Jorge Ramirez Ocampo, ANALDEX [National Association of Exporters]; Ricardo Villaveces Pardo, ASOCANA [Association of Colombian Sugarcane Growers]; Juana Maria Unda Bernal, ASOCOLFLORES [Colombian Association of Flower Exporters]; Cesar Gonzalez Munoz, ASOBANCARIA [Bankers Association]; Alberto Vasquez Restrepo, CAMACOL [Latin Chamber of Commerce]; Willian Fadul Vergara, FASECOLDA [expansion not given]; Luis Gustavo Florez Enciso, FEDEMETAL [Colombian Federation of Metal Industries]; and Eugenio Marulanda, COLFECAR [Cargo Transport Confederation].

* Trade With Ecuador Increases Over 1992

93SM0372B Santa Fe de Bogota EL TIEMPO in Spanish 19 Jul 93 p 3B

[Article by Marcela Escobar Ramirez: "Ecuador: A Growing Partner"]

[Text] *In six months, trade with Colombia doubled the 1992 figure.*

Imports of Ecuadoran products totaled $177 million, double the sum for the first half of last year. Exports to that country totaled $237 million.

Free trade between Ecuador and Colombia has begun to bear fruit. Binational trade during the first half of the year ending in June was double the figure for all of last year.

Goods traded during the period from January to June totalled $414 million, compared with $212 million for all of 1992, according to estimates of the Colombian Embassy in Ecuador.

Because of the elimination of import duties beginning in October, one can now buy merchandise in Quito or Quayaquil as easily as in any Colombian city. There are no tariffs to be paid, only the value-added tax (VAT).

Problems with transport and customs remain, however, forming a bottleneck in the integration process.

The lack of suitable trunk highways and pressure from unions of Ecuadoran transport enterprises aimed at preventing trucks from Colombia from crossing the border hinder free trade.

Progress has been made on the second point. The Ecuadoran Government has authorized five Colombian companies to provide overland transport service, which could open up the so-called "Tulcan stopper."

However, one must still contend with the so-called "guardians" at the Ecuadoran border, guards who escort trucks carrying goods and who have turned into yet one more "cost overrun" for businessmen.

The two countries still have to coordinate their customs laws, particularly regarding import and export procedures.

The point that perhaps concerns the Colombian private sector the most is the preferences extended to Ecuador for applying the common foreign tariff.

Other countries in the Andean Group (Bolivia, Colcmbia, Peru, and Venezuela) authorized it in order to postpone the common tariff on five points. As a result, Ecuadoran manufacturers enjoy advantages for certain products because they can obtain them from third countries at a lower cost than Colombians can.

Ecuadoran Prompting

Although the trade balance remained in Colombia's favor for the first half of the year (by $59.8 million), Ecuadoran businessmen were more aggressive in marketing their products.

Imports from Ecuador, which totaled $177 million, were 109.5-percent higher than they were for the same period of last year.

Colombian exports were up ($237 million), but rose only 54.7 percent during the period in question.

Purchases from Ecuador have been rising since last year, when they rose 78.4 percent over 1991 and totaled $56.9 million. Sales to that country amounted to $155 million, an increase of 22.7 percent.

In addition to the stimulus of free trade, the trend is bolstered by the strength of the peso compared with the sucre, the ratio being 2.5 sucres to 1 peso.

* Officials Say Economy 'Very Satisfactory'

93SM0369A Santa Fe de Bogota EL ESPECTADOR in Spanish 15 Jul 93 p 2B

[Text] Santa Fe de Bogota—Amid serious criticism by trade unions, which have called the performance of the economy into question and have even pointed to signs of recession, the administration is defending itself and will make public a document arguing that there has been a major upswing in growth and wealth creation.

After examining the performance of the various macroeconomic variables during the first half of this year, the administration's economic team found that the different categories of production and business were growing nicely.

Problems are practically limited to the farm sector, where the drop in coffee output and the restrictions on sales of bananas and cotton have done substantial harm. Yet the problem is not across the board, as the supply of foodstuffs is encouraging.

At the close of the first half of 1993 the economy as a whole posted an annual growth rate of slightly over 4.5 percent.

This is close to the target for the gross domestic product (GDP) that was set for this year.

According to official figures, industry is growing at 6 percent a year.

The best performance is to be seen in cement companies, laboratories, chemical firms, and vehicle assembly.

Although there have been some setbacks in Bogota, construction is still doing fine, posting annual growth of around 13 percent.

The drop in inflation, which is now around 22 percent a year, is helping commercial sales, which are recovering substantially.

The slower increase in food prices, for example, has left consumers with more money to purchase other items.

As the pace of inflation continues to slow, purchasing power is expected to improve, and as a result commercial sales will recover further.

Mining is one of the sectors that is doing best, posting an annual growth rate of 15 percent. There has been fast growth in coal sales in recent months.

These numbers will be made public officially today by the Finance Ministry, the Bank of the Republic, and the National Department of Planning.

"Although it must be admitted that there was a slight decline in the rate of growth in the second quarter, the performance of the economy in general is very satisfactory, and there is no clear evidence of recession," remarked one of the members of the administration's economic team.

National planning figures indicate that at the end of the first three months of the year the economy was growing at an annual rate of close to 5 percent.

In contrast, the recent surveys of business opinion by the National Association of Industrialists and the Federation for Development show a decline in demand and, in particular, some difficulties in the industrial sector.

The production sector argues insistently that there is too much smuggling and sizable unfair competition from overseas businessmen.

During the first half of 1993 imports totaled $6.229 billion, up 27.5 percent from the same period in 1992.

According to the administration's projections, the economy ought to grow 4.5 percent in 1993. The rate in 1992 was 3.5 percent.

The significantly smaller coffee harvest, which shrank from 17 to 15 million sacks, will bring a 6 percent decline in coffee milling in 1993.

On the demand side, the main engine for growth this year will remain private investment, both in construction and in machinery and equipment. Private investment will rise between 14 and 16 percent in real terms.

Another major factor continues to be public investment, which stands at about 74 percent of private investment and will expand by 14 percent.

Peru

Popular Action Launches Belaunte's Candidacy

PY2308234593 Lima CARETAS in Spanish 12 Aug 93 p 26

[Text] On 10 August, Lima and provincial Popular Action party grassroots launched, as expected, the presidential candidacy of Fernando Belaunte. According to Popular Action spokesmen, Belaunte did not rule out eventual support for an alternative ticket, which could be headed by Javier Perez de Cuellar.

The same day the party Political Committee, which was attended by Fernando Belaunte, decided to convene a party congress to elect a new secretary general. The event will take place on 25 September.

Meanwhile, and in view of the party primaries, Javier Alva Orladini as well as Raul Diez Canseco have stepped up their campaigns. This week Diez Canseco will visit Amazonas and Callejon de Huaylas.

*EL DIARIO Spokesman 'Out of Step'

93WR0316Z Lima EL COMERCIO in Spanish 15 Jul 93 p A6

[Unattributed article: "Shining Path Means Nothing Nowadays in Europe"]

[Text] Peru's ambassador to Belgium, Guillermo del Solar, asserted yesterday that the criminal Luis Arce Borja, the editor of the terrorist mouthpiece EL DIARIO, is living in exile in that European nation but nowadays is an individual who is in complete eclipse, "totally out of step and passe."

"EL DIARIO INTERNACIONAL, which used to come out almost monthly, was not published in April, May, and June. It used to receive its biggest support from the Labor Party of Belgium, but the later now has other interests," he explained.

The diplomatic representative voiced the personal opinion that the extradition of Arce Borja would not be in order because the crime of "apology for terrorism" is not provided for in Belgian penal legislation.

"To request the extradition of an individual for a crime that is not penalized in Belgium would not be in order and, obviously in my strictly personal judgment, would be a waste of time, plus we would create the impression that we are persecuting him," he remarked.

He underscored, however, that Shining Path "means nothing" nowadays on the Old Continent.

"Shining Path is not recognized in Europe as a movement that had any social inspiration. It has no credibility," he asserted.

Del Solar reported that although Arce Borja has the status of a political exile, his "official" activities involve his studies of French and several sociology courses at the Free University of Brussels, the capital of Belgium.

As for the four Belgians and one Luxembourger who forced their way into Peru's diplomatic seat in Belgium this past March, he stated that they have been released but are standing trial.

The Peruvian ambassador also voiced satisfaction with the understanding that both the Belgian press and the country's authorities have shown in opposing and ignoring the activities that no more than 30 individuals have staged in that country on behalf of Shining Path terrorism.

Uruguay

South Africa's de Klerk Arrives on Official Visit

PY2308185593 Madrid EFE in Spanish 2342 GMT 22 Aug 93

[Text] Montevideo, 22 Aug (EFE)—South African President Frederik de Klerk arrived in Montevideo on 22 August at the start of a 36-hour visit. Montevideo is the first leg of President de Klerk's tour of Southern Cone

countries. This is the first time in history a South African president has visited Uruguay.

The plane carrying the South African president and his entourage arrived in Montevideo two hours behind schedule. De Klerk was welcomed at the Carrasco International Airport by his Uruguayan counterpart, Luis Alberto Lacalle, and by members of the Uruguayan cabinet.

Early this morning de Klerk began a busy schedule that includes placing a floral wreath at the mausoleum of Uruguayan forefather Jose Gervasio Artigas, a private meeting at Government House with President Luis Alberto Lacalle, a news conference, and a luncheon hosted by South African Ambassador Vaughan Charles R. Dewing.

De Klerk will meet this afternoon with Vice President Gonzalo Aguirre, who is also the congressional president. De Klerk is scheduled to meet with members of the congressional committee on international affairs. He will receive the keys of Montevideo from Mayor Tabare Vazquez and is scheduled to visit the Supreme Court.

The visiting dignitary and his wife will attend a dinner tonight hosted by the Uruguayan president at the historic Taranco Palace [not further identified]. De Klerk and his entourage are scheduled to depart Montevideo on 24 August for Chile, the second leg of his tour South American tour.

Holds Talks With Lacalle

MB2308174893 Johannesburg SAPA in English 1700 GMT 23 Aug 93

[Report by Lorraine Braid]

[Text] Montevideo Aug 23 SAPA—Political leaders would have to take joint responsibility for "very firm steps" if the level of violence in South Africa did not abate within the next two months, State President F. W. de Klerk said on Monday. Addressing a news conference in the Uruguayan capital of Montevideo, Mr. De Klerk said he was confident that "the next month or two will bring us nearer to a point" where there would be an abatement in the high level of political violence. "If not, political leaders will have to take joint responsibility and have to take very firm steps because we cannot have free and fair elections with the present level of violence." He was, however, confident that agreement in the constitutional process, on transitional executive councils (TEC's) and other related matters, would help bring the level of violence down "because those wanting to disrupt the negotiations will then know they have not succeeded".

Mr. De Klerk and Uruguayan President Dr. Luis Lacalle were scheduled to have talks for 45 minutes but this stretched to nearly two hours. Mr. De Klerk said he was impressed by the deep understanding by Dr. Lacalle of the process in South Africa. The two leaders discussed several issues, including improving bilateral trade and the preservation and development of natural resources in the South Atlantic Ocean.

Mr. De Klerk spoke of moves towards establishing a sovereign African economic community with a market of about 100 million people. "It will also offer challenges and opportunities to Uruguay's private sector. I hope this visit will serve as a stimulation for the already good relations between the two countries and the beginning of a new period of growth in interaction between us." He said trade agreements between governments served to open the doors for businessmen. An area in which he saw "tremendous possibilities" was investment by South African companies in other countries. "We likewise welcome multinational involvement in our economy. I foresee that, with the pivotal position of Uruguay's Mercosur (the Latin-American common market), we will see the level of interaction between the private sectors of our countries intensify fairly dramatically," Mr. De Klerk said.

President Lacalle said trade was uneven between the two countries. "We import more than we export and would like to balance this. We feel the business delegation accompanying Mr. De Klerk is a good indication of interest between the two countries," he said.

The two also discussed a drugs enforcement agreement, and Dr. Lacalle told Mr. De Klerk it was legally possible to investigate Uruguay's banking accounts suspected of being used for laundering money. "We tend to cooperate on information. The drug problem is on several levels and we spoke about mutual information and cooperation through treaties and our justice systems," Dr. Lacalle said.

Mr. De Klerk said South Africa was upgrading its antidrug activity and would be tightening legislation for closer cooperation with friendly countries. "We are near to the conclusion of an agreement which contains all the aspects Dr. Lacalle has mentioned."

Referring to an invitation to visit South Africa, Dr. Lacalle said he would love to accept. "Sadly, it will not be this year. But I hope to go before the election."

Venezuela

Munoz Denies Army Involved in Coup Plans

PA2308193993 Caracas Venezolana de Television Network in Spanish 1550 GMT 23 Aug 93

[Text] Defense Minister Radames Munoz Leon flatly rejected accusations that the National Armed Forces, especially that Army Commander Division General Jorge Isaac Tagliaferro de Lima, are involved in plans to promote a coup d'etat as well as in the terrorist actions carried out in the last few days.

The defense minister reiterated in a news conference and in a document sent to the media the fundamental role played by the Armed Forces in the defense of democracy and the values of the fatherland.

Radames Munoz Leon also announced that legal actions would be taken against Radical Cause Deputy Pablo Medina.

[Begin Munoz recording] The Constitution and the laws currently in force in this country as well as the state of law give me every right to defend the Armed Forces for my honor and for the honor of the institution. [end recording]

Possibility of Another Coup Warned

PA2408022593 Paris AFP in Spanish 2337 GMT 23 Aug 93

[Text] Caracas, 23 Aug (AFP)—In statements made upon his return to Caracas, former President Jaime Lusinchi (1984-89), a Social Democrat, joined the chorus of voices warning of the possibility of another coup d'etat.

Lusinchi, who is awaiting a congressional ruling on a possible trial against him for alleged corruption, returned to Venezuela this weekend, after visiting the United States and Costa Rica, where his wife, Blanca Ibanez, lives. Ibanez faces charges of influence peddling at Venezuelan courts.

Upon commenting about the recent wave of letter bomb attacks that have shaken Venezuela during the past month, Lusinchi denied alleged ties with these incidents, stating that "there are groups interested in creating instability and desperation" to provoke a coup d'etat and prevent the December parliamentary and presidential elections from being held. According to the former president, "there are economic interests" involved with these groups, which he did not identify.

Prior to these statements, several political figures have warned of the possibility of a coup attempt. Even Lieutenant Colonel Hugo Chavez, leader of the February 1992 coup attempt, said recently that the "most reactionary sectors of the Armed Forces" are promoting a coup that will end the government of President Ramon J. Velazquez, who should step down at the beginning of 1994.

Congress President Prompts Perez' Status Discussion

PA2308204993 Caracas EL NACIONAL in Spanish 18 Aug 93 p D-1

[By Freddy Torres]

[Text] On 17 August, Congress President Octavio Lepage took steps to call a special session to decide whether Carlos Andres Perez' permanent absence [ausencia absoluta] from the Presidency of the Republic should be declared.

Lepage contacted all legislative factions to begin consultations with political groups other than his party, which have not yet established their official position.

The Social Christian Party [Copei] and Movement Toward Socialism [MAS] have announced their willingness to declare the suspended president's permanent absence from power. The date for deciding whether Perez' absence from office, established during his trial by the Supreme Court of Justice [CSJ], is temporary or permanent expires on 20 August. MAS and Copei have a majority in Congress to declare President Perez' permanent absence from the Presidency of the Republic. The leaders of the aforesaid legislative wings have announced that they will request the Congressional Standing Committee to call a special session of both chambers to vote on the issue.

Concerning lifting the legislative immunity of [former President] Lusinchi, who is being indicted by the CSJ over the jeep scandal, the Congress president said the Standing Committee is empowered to strip Lusinchi of his status as senator for life. However, he said that if any party requests that the Congress Standing Committee open today, it will begin work this very week.

One of the topics the Standing Committee will analyze is the reform of the Protection Bill [Ley de Salvaguarda], which was sanctioned by Congress and submitted to the executive for its promulgation. At the last minute, however, Copei asked President Ramon J. Velasquez to return the bill to Congress because the offense of common embezzlement had been mistakenly eliminated from it.

Lepage indicated that if the Standing Committee deems it appropriate, a special session will be called once again to modify and approve this legal instrument. "In any case, we must wait and see if President Velasquez returns the bill," he explained.

In a summary of Congress' activities during this five-year period, Lepage expressed his optimism about the control exercised by Congress on the public administration. He also voiced his satisfaction with the democratic pluralism that prevailed in the chambers' sessions.

Regarding the results of legislative work, Lepage said that 171 laws and reforms were approved during the legislative period. "This year 36 laws were approved," the Congress president commented, expressing his satisfaction because this legislature investigated and produced more reports on various irregularities in the public administration.

Despite the fact that the legislature's work was arduous and positive, Lepage expressed his conviction that Congress' street image continues to be bad, partly because it was slow to act. He did, however, express his satisfaction that the chambers discussed thoroughly and promptly all events that shocked the country in this five-year period.

Lepage predicted a new "divided" Congress in 1994. He expressed his hope that the small political alliances envisioned for the future do not prevail, because they would eliminate the majority, which is necessary to give political support to the decisions of the legislature and the policies of the next government.

The Congress president stated the need for a great national agreement and warned that the opposite will result in a complex and difficult situation for the new government team. He asserted that it is not a matter of invoking the

celebrated and old pact of equilibrium between Democratic Action and Copei again because the current conditions impose a broader and more democratic agreement. "I do not think the next administration will be able to operate without a great national agreement; an agreement that allows Congress to approve the laws of national interest," he emphasized.

When asked about his political aspirations after the Congress sessions ends and the electoral campaign for legislative seats begins, Lepage officially announced his retirement as legislator, but he hinted that he may run for other positions.

FIV Announces Privatization Schedule

PA2308214893 Caracas EL DIARIO DE CARACAS in Spanish 17 Aug 93 p 23

[Report by Jose M. Rojas]

[Text] Following an economic cabinet meeting during which it was disclosed that the Venezuelan Investment Fund [FIV] will privatize 10 state institutions before year's end, Finance Minister Carlos Rafael Silva said that tax laws, among them the Value-Added Tax, IVA, and the tax on business assets will be among the first to be promulgated by President Ramon J. Velasquez.

Silva announced that it is President Velasquez' firm intention to give the go ahead on certain tax laws contained in the Enabling Law on 26 August. Executive Branch commissions are giving legal shape to these laws.

Regarding privatization, FIV President Julian Villalba disclosed the list of companies that are to be privatized prior to 31 December: Enelven [expansion unknown], Enelbar [expansion unknown], Plantacentro [expansion unknown], Puerto de La Guaira, Melia Puerto La Cruz, Melia Caribe, 20 percent of Indulac [expansion unknown] shares, certain National Telephone Company of Venezuela, CANTV, shares, and the Venezuelan Postal Airline (Linea Aeropostal Venezolana).

Villalba did not disclose how much the government expects to make from these "privatization" processes, which are well advanced, but he pointed out that the privatization of Moruco Hotel, Urena Plant, Popular Bank, and Caracas Polyhedral are virtually ready. The envelopes will be opened on 30 August and there are eight participants.

The sale of the polyhedral, he explained, is a concession aimed at exploiting race horse betting, the grandstands, racetrack, and parking lots. The FIV also officially presented a report on the possibility of selling state shares on the stock market based on the argument that this would "achieve the privatization policy's goal of democratizing capital." Villalba said that the public sale of CANTV shares would have a strong impact on the stock market because of the size and liquidity of the shares, which would attract foreign investment and the repatriation of capital.

Meanwhile the president, determined to attach the utmost importance to small and medium industry, instructed Leonardo Pizani, president of the Corporation for Development of Small and Medium Industry [Corpoindustrias], to join the economic cabinet and also to submit an report every two weeks. In President Velasquez' opinion, the small and medium industry's problem is not only financing but a need to contribute to the establishment of the country's economic policy.

Independent presidential candidate Jose Antonio Cova recommended to President Velasquez, that instead of promulgating the reforms to the Protection Law, he should return the reforms to Congress. Following a meeting with President Velasquez at Miraflores Palace, Cova said that the elimination of graft as a crime would "encourage crime in the country" to save suspended President Carlos Andres Perez. "The best thing would be to return the bill and have the next congress deal with the matter," he said.

Cova suggested to Velasquez that if the appointed commission fails to return the bill he should summon the houses of Congress to a joint session so they can reach a decision concerning Carlos Andres Perez' absence because the country cannot afford the luxury of having two presidents.

World Bank Views Efforts

PA2408034993 Caracas EL NACIONAL in Spanish 18 Aug 93 p E-1

[Article by Adriana Cortes]

[Text] Julian Villalba, president of the Venezuelan Investment Fund [FIV], has reported that the World Bank positively evaluated the achievements of the country in the reorganization of public enterprises, however it warned that this does not guarantee the disbursement of $300 million from the Perl loan because an increase in gasoline prices is still pending.

Julian Villalba held a quick meeting with Rainer Steckhan, World Bank director for Peru, Brazil, and Venezuela, on 17 August. The FIV president reported that the multilateral organization is aware of the progress made in the reorganization of public enterprises, especially in the cases of Tuborca (Venezuelan Guayana Corporation) [CVG], the National Sanitary Works Institute, and the decentralization of Cadafe (Electrical Administration and Development Corporation).

Even though Steckhan was pleased with the progress made in these cases, he did not guarantee the disbursement of $300 million, which was approved under the tied credit category because a gasoline price increase is yet to be made. The FIV president also briefed the World Bank official about the scope of the new privatization law.

The FIV board finally approved a $100 million credit that will be given by this organization to the CVG to resolve the aluminum industry's cash flow problem. The issue will be taken before the Council of Ministers on 19 August with a proposed overall restructuring plan. Some aspects are

unclear, however, such as the collateral the CGV will give to the FIV. It is presumed that the delivery of the Guacara Plant, estimated at $170 million, will suffice. An assessment of the company's operation, however, could cause the price to go up or down.

There was no indication of how the credit will be allocated. It was explained, however, that it will be worked on the basis of redefining the foreign debt that Alcasa has with the Hindu Swiss Bank of France, because it poses risks for diverse credits for Venezuela. In fact, currently there are officials of this foreign institution working abroad with the FIV. In the case of CANTV [National Telephone Company of Venezuela], he noted that it was decided to place $800 million in shares abroad and $200 million in local stock markets.

As for the privatization of the Banco Popular, Julian Villalba said that reports and counter reports are normal in this type of financial case, as has happened in the past. He showed a letter, sent to his office by the Banking Superintendency, stating that the group that requested the nullification of the privatization process of the Popular Confedempresa was on the preliminary list of investors, who were registered to participate in the sale, but failed to qualify because it lacked legal status. He hinted that there are a lot of interests behind the charge published on 17 August.

Regarding the suit filed by the Danish European Export company against the Banco Popular, the FIV president reiterated that the case is in the Maracaibo lower court and that he does not think it can be settled in less than eight years. He noted that the base sale price of this financial institution contemplates a total of 700 million bolivares to avert any future problem.